

January 25, 2021



iAnthus Provides Litigation Update on New Jersey Operations, the Recapitalization Transaction and Class Action Complaint

NEW YORK and TORONTO, Jan. 25, 2021 /PRNewswire/ - iAnthus Capital Holdings, Inc. ("iAnthus" or the "Company") (CSE: IAN) (OTCPK: ITHUF) which owns, operates and partners with regulated cannabis operations across the United States, provides updates on: (i) a complaint filed by MPX New Jersey, LLC ("MPX NJ"); (ii) the Company's previously announced recapitalization transaction (the "Recapitalization Transaction"); and (iii) a class action complaint filed against the Company's wholly-owned subsidiary, iAnthus Empire Holdings, LLC ("IEH") for alleged violations of the Telephone Consumer Protection Act ("TCPA").

Receipt of Complaint Filed by MPX New Jersey, LLC

The Company is in receipt of a complaint (the "Complaint") filed in the Superior Court of New Jersey by MPX NJ against iAnthus New Jersey, LLC ("iAnthus NJ") and iAnthus Capital Management, LLC ("ICM"). MPX NJ entered into a Financing, Leasing, Licensing and Services Agreement with iAnthus NJ in August 2019 (the "Services Agreement"). Additionally, MPX NJ and iAnthus NJ entered into several other agreements, including a Loan Agreement and an Option Agreement, whereby iAnthus NJ is provided various rights by which it may acquire 100% ownership of MPX NJ, subject to certain conditions and approvals. The current majority owner of MPX NJ is Elizabeth Stavola, a former director and Chief Strategy Officer of iAnthus.

MPX NJ seeks a declaratory judgment from the court declaring: (i) MPX NJ is solely authorized to represent its interests to state and local officials and other parties and that Ms. Stavola is principally responsible for the management and operations of MPX NJ; and (ii) that the Services Agreement is currently ineffective and unenforceable. In the Complaint, MPX NJ also seeks preliminary and final injunctive relief enjoining ICM and iAnthus NJ from representing itself as having authority to act on MPX NJ's behalf or as having a controlling interest in MPX NJ and from executing any agreements on MPX NJ's behalf with any state or local official or other party. Additionally, MPX NJ seeks relief enjoining ICM and iAnthus NJ from acting, directing, or causing any actions at the Pleasantville, New Jersey cultivation facility absent express consent from MPX NJ. The Superior Court of New Jersey has preliminarily entered an Order, with ICM's and iAnthus NJ's consent, granting temporary restraints that: (i) enjoin ICM and iAnthus NJ from entering into contracts that would bind MPX NJ; (ii) enjoin ICM and iAnthus NJ from representing that iAnthus currently has a controlling interest in MPX NJ and that any future control is subject to approval by the New Jersey Department of Health; and (iii) require ICM and iAnthus NJ to disclose to MPX NJ all contracts and activities taking place at the Pleasantville, New Jersey cultivation facility and to obtain consent of MPX NJ for any construction that takes place in regulated cultivation areas of the facility.

iAnthus disputes the allegations of the Complaint and disputes that it ever engaged in the conduct that was the subject of the temporary restraints in the first place. The Company will avail itself of all available legal remedies to vigorously defend its interests in court.

Recapitalization Transaction

Further to iAnthus' news release dated November 5, 2020, regarding the appeal in respect of the Supreme Court of British Columbia's (the "BC Supreme Court") final approval for the plan of arrangement to implement the Recapitalization Transaction, the Company confirms that the appeal is scheduled to be heard on January 26, 2021. The submissions will be held virtually before a three-member panel of the British Columbia Court of Appeal. iAnthus considers the appeal to be without merit and intends to vigorously defend its interest in court.

For further details on the BC Supreme Court's approval for the Recapitalization Transaction, see the Company's news release dated October 6, 2020, a copy of which is available under the Company's SEDAR profile at www.sedar.com.

Receipt of Class Action Complaint

The Company is in receipt of a class action complaint ("Class Action Complaint") filed against its wholly-owned New York management company subsidiary, IEH, alleging violations of the TCPA relating to IEH's alleged text message marketing. Similar class action complaints have been filed against other cannabis operators across the U.S. The Class Action Complaint seeks actual and statutory damages and other remedies for IEH's alleged violations of the TCPA. iAnthus disputes the allegations of the Class Action Complaint and will vigorously defend its interests in court.

About iAnthus

iAnthus owns and operates licensed cannabis cultivation, processing and dispensary facilities throughout the United States. For more information, visit www.iAnthus.com.

COVID-19 Risk Factor

The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to COVID-19. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of COVID-19, or a fear of any of the foregoing could adversely impact the Company by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel, and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how the Company may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which the Company is subject. Although the Company has been deemed essential and/or has been permitted to continue operating its facilities in the states in which it cultivates, processes, manufactures, and sells cannabis during the pendency of the COVID-19 pandemic, there is no assurance that the Company's operations will continue to be deemed essential and/or will continue to be permitted to operate. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results, financial condition, and the

trading price of the Company's common shares.

Forward Looking Statements


Statements in this news release that are forward-looking statements are subject to various risks and uncertainties, including concerning COVID-19 and the specific factors disclosed here and elsewhere in iAnthus' periodic filings with Canadian securities regulators. When used in this news release, words such as "will", "hope", "could", "plan", "estimate", "expect", "intend", "may", "potential", "believe", "should", "our vision" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements related to: the Company's financial performance, business development and results of operations, the implementation and completion of the Recapitalization Transaction, the dispute with MPX NJ, the appeal of the BC Supreme Court's approval of the plan of arrangement for the Recapitalization Transaction, and the Class Action Complaint.

Readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. iAnthus disclaims any intention or obligation to update or revise such information, except as required by applicable law, and iAnthus does not assume any liability for disclosure relating to any other company mentioned herein.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

The securities to be issued pursuant to the Restructuring Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

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