



iAnthus Addresses Speculation Surrounding CSE Listing Policies and CDS Policy on Settlement of Securities

TORONTO, ON and NEW YORK, NY – August 8, 2017– iAnthus Capital Holdings, Inc. (“iAnthus” or “the Company”), (CSE: IAN, OTCQB: ITHUF), which owns, operates, and partners with licensed cannabis operations throughout the United States, is providing the following statement with respect to Canadian Securities Exchange (“CSE”) listing policies as well as recent media reports suggesting that The Canadian Depository for Securities Limited (“CDS”) may be considering a policy change with respect to issuers with U.S. cannabis assets.

On September 7, 2016, iAnthus listed on the CSE under the ticker symbol IAN. iAnthus’ listing remains active and in compliance with the CSE’s policies. iAnthus is one of approximately 10 issuers listed on the CSE with exposure to the US cannabis sector. As detailed in the CSE’s news release and subsequent notice dated August 4, 2017 (the “CSE Policy Guidance”), Richard Carleton, the CEO of the CSE, confirmed the CSE’s position on U.S. cannabis listings. In the CSE Policy Guidance Mr. Carleton stated that:

“...[the CSE is] pleased to be receiving growing interest from entrepreneurs in the U.S. cannabis space, where a rapidly evolving legal framework has created significant investment opportunities. Provided that these companies offer appropriate risk disclosure and demonstrate that they are operating in accordance with applicable laws, we believe that they are valuable additions to our well-regulated exchange.”

The CSE Policy Guidance was in response to recent media reports indicating that CDS may be considering a policy change with respect to issuers with U.S. cannabis assets. As background, CDS, a wholly owned subsidiary of TMX Group Limited, is the principal clearing house in Canada responsible for the custody and movement of securities, the post-trade processing of securities transactions, and the collection and distribution of entitlements relating to securities deposited by participants. In other words, when a security is traded and clears through CDS, CDS is the party responsible for ensuring that the buyer receives the securities and the seller receives the payment.

iAnthus is aware of speculation surrounding CDS; specifically, media reports have suggested that CDS may be considering a policy change which, if implemented, could disqualify CDS settlement of securities of issuers with U.S. cannabis assets.

On the facts, CDS has not issued any policy statement indicating that it is formally considering a policy change to disqualify the settlement of securities of issuers with U.S. cannabis assets. Likewise, none of the securities regulators in Canada have issued a formal statement on settlement rules pertaining to issuers with U.S. cannabis assets. Simply put, at this time we are not aware of any formal decision by CDS, or any

of the securities regulators in Canada, to disqualify or restrict settlement of securities of issuers with U.S. cannabis assets.

We are actively monitoring publicly announced developments at CDS but we do not believe that any decision on this matter is imminent. Further, CDS is highly regulated by various securities regulators in Canada including the Ontario Securities Commission, the Autorité des marchés financiers, and the British Columbia Securities Commission. Accordingly, even if CDS wanted to unilaterally implement a policy change it is not readily apparent that CDS has the authority to do so.

iAnthus recently obtained eligibility with The Depository Trust Company ("DTC") in April 2017, allowing iAnthus to facilitate trading and settlement for iAnthus shareholders. DTC is the largest securities depository in the world and holds over US\$35 trillion of securities on deposit. Many Canadian brokerages are fully equipped for and settle through both CDS and DTC, and in the event of any CDS policy changes, iAnthus expects to be able to clear trades through DTC. Additional information pertaining to iAnthus' DTC eligibility can be found in iAnthus' news release dated April 3, 2017 (a copy of which is available under the Company's SEDAR profile at www.sedar.com).

The total market capitalization of Canadian public companies with US cannabis exposure is over C\$1.5 billion, representing significant interest from institutional investors, brokerages and other shareholders. We will continue to monitor developments at CDS and we expect to issue further news releases if any developments occur.

About iAnthus Capital Holdings, Inc.

iAnthus Capital Holdings, Inc. provides investors diversified exposure to best-in-class licensed cannabis cultivators, processors and dispensaries throughout the United States. Founded by entrepreneurs with decades of experience in operations, investment banking, corporate finance, law and healthcare services, iAnthus provides a unique combination of capital and hands-on operating and management expertise. The Company harnesses these skills to support operations across five states. For more information, visit www.iAnthuscapital.com.

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning 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, could, plan, estimate, expect, intend, may, potential, believe, should, aware" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including statements related to CDS stock-clearing policy for issuers with US cannabis assets, securities regulators stock-clearing policy for issuers with U.S. cannabis assets, clearing of the Company's securities through DTC, and future news releases.

Although iAnthus has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target

companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under US Federal laws; change in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry; and regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, 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.

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