

January 4, 2018



iAnthus Responds to Department of Justice Decision to Rescind the Cole Memorandum

NEW YORK, NY and TORONTO, ON -- (Marketwired) -- 01/04/18 -- iAnthus Capital Holdings, Inc. ("iAnthus" or "the Company"), (CSE: IAN)(CSE: IAN.CN)(CNSX: IAN)(OTCQB: ITHUF), which owns, operates, and partners with licensed cannabis operations throughout the United States, today issued the following statement in response to the United States Department of Justice's ("DOJ") decision to rescind the Cole Memorandum ("Cole Memo") and related DOJ memoranda that served as guidance to United States Attorneys (federal prosecutors) regarding prosecutorial discretion and prioritization of federal prosecutions in the area of enforcement of federal marijuana law. The Company's statement reads as follows:

"The Cole Memo was not a federal law and did not alter the DOJ's authority or discretion to enforce federal drug laws, which discretion continued after the Cole Memo was adopted in 2013. Accordingly, iAnthus' management believes the rescinding of the Cole Memo does not indicate any specific change in DOJ enforcement policy. There is no new policy that directs or demands the U.S. Attorneys to prosecute individuals in states where marijuana programs are legal. U.S. Attorneys will continue to have the same wide prosecutorial discretion that they had prior to today.

The regulated marijuana industry has created tens of thousands of American jobs and provided hundreds of millions of dollars in needed tax revenue to state and local governments, while at the same time serving to disintermediate the black market that has existed since the beginning of the federal marijuana prohibition. Turning the clock back twenty years and re-opening the door to criminal cartels is counterproductive and serves no practical purpose. In addition, the federal government has traditionally relied upon state and local law enforcement in the area of marijuana enforcement, given the federal government's limited resources and prioritization of serious harmful drug offenses that do not involve marijuana. In states where the voters have adopted regulated medical and/or adult use marijuana programs, there is little reason to believe that state and local prosecutors and law enforcement will prioritize assisting in the enforcement of federal law pertaining to state licensed marijuana operations.

For all of these reasons, we would expect that today's action will have little or no material impact on federal prosecution priorities in states that have adopted regulated medical

and/or adult use marijuana programs. We believe that regulated businesses that scrupulously comply with applicable state laws and regulations need not be alarmed by today's events, and we intend to continue to make it our highest priority to instill a culture of strict compliance at each of our regulated cannabis operations throughout the United States.

It is worth noting that the President has clearly indicated in the past his support for medical marijuana and the rights of the states to decide their own policies in the area of marijuana legalization, just as the states have the power to regulate -- and tax -- the alcohol and tobacco industries.

It is also worth noting the overwhelming support among the American people for regulated marijuana and the rights of the states to decide for themselves what their marijuana laws should be. Recent polling data shows that 94% of the American electorate supports medical marijuana, and 64% support adult use laws, including a majority Republicans. Additionally, 76% of American voters, including 72% of Republicans, believe the federal government should not interfere with the rights of states to determine their own marijuana laws, [according to survey data published by Gallup in October 2017](#). Given this overwhelming support, iAnthus' management believes it unlikely that the President will allow the Attorney General's personal bias against marijuana use to damage the President's political brand or that of his party."

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 health care 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," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including statements related to federal and state cannabis policy.

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 changes including federal enforcement policy.

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.

CONTACT INFORMATION

Corporate:
Julius Kalcevich
Chief Financial Officer
iAnthus Capital Holdings, Inc.
646-518-9415
Investors@iAnthusCapital.com

US Investors:
Phil Carlson / Elizabeth Barker
KCSA Strategic Communications
iAnthus@KCSA.com

Canadian Investors:
Nicole Marchand
Nicole Marchand Investor Relations
Nicole@nm-ir.com

Media:
Robert Vanisko
North 6th Agency
212-334-9753 ext.112
iAnthus@n6a.com

Source: iAnthus Capital Holdings, Inc.