U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES

Pursuant to Section 12(b) or (g) of The Securities Exchange Act of 1934

IANTHUS CAPITAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

British Columbia, Canada	**98-1360810**
(State or other jurisdiction of incorporation or formation)	(I.R.S. employer identification number)
420 Lexington Avenue, Suite 414, New York, NY	**10170**
(Address of principal executive offices)	(Zip Code)

(646) 518-9411
(Issuer's Telephone Number)

Securities to be registered under Section 12(b) of the Act: None.

Securities to be registered under Section 12(g) of the Act: Common Shares, no par value

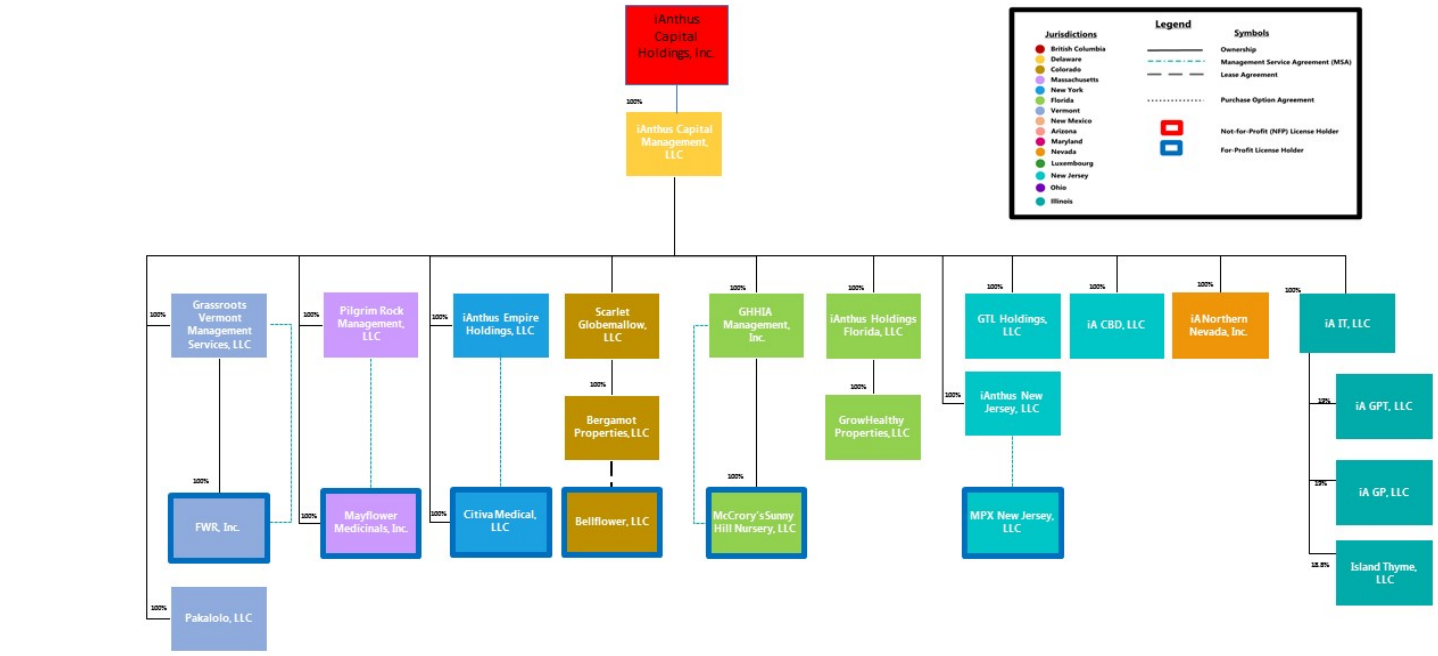
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

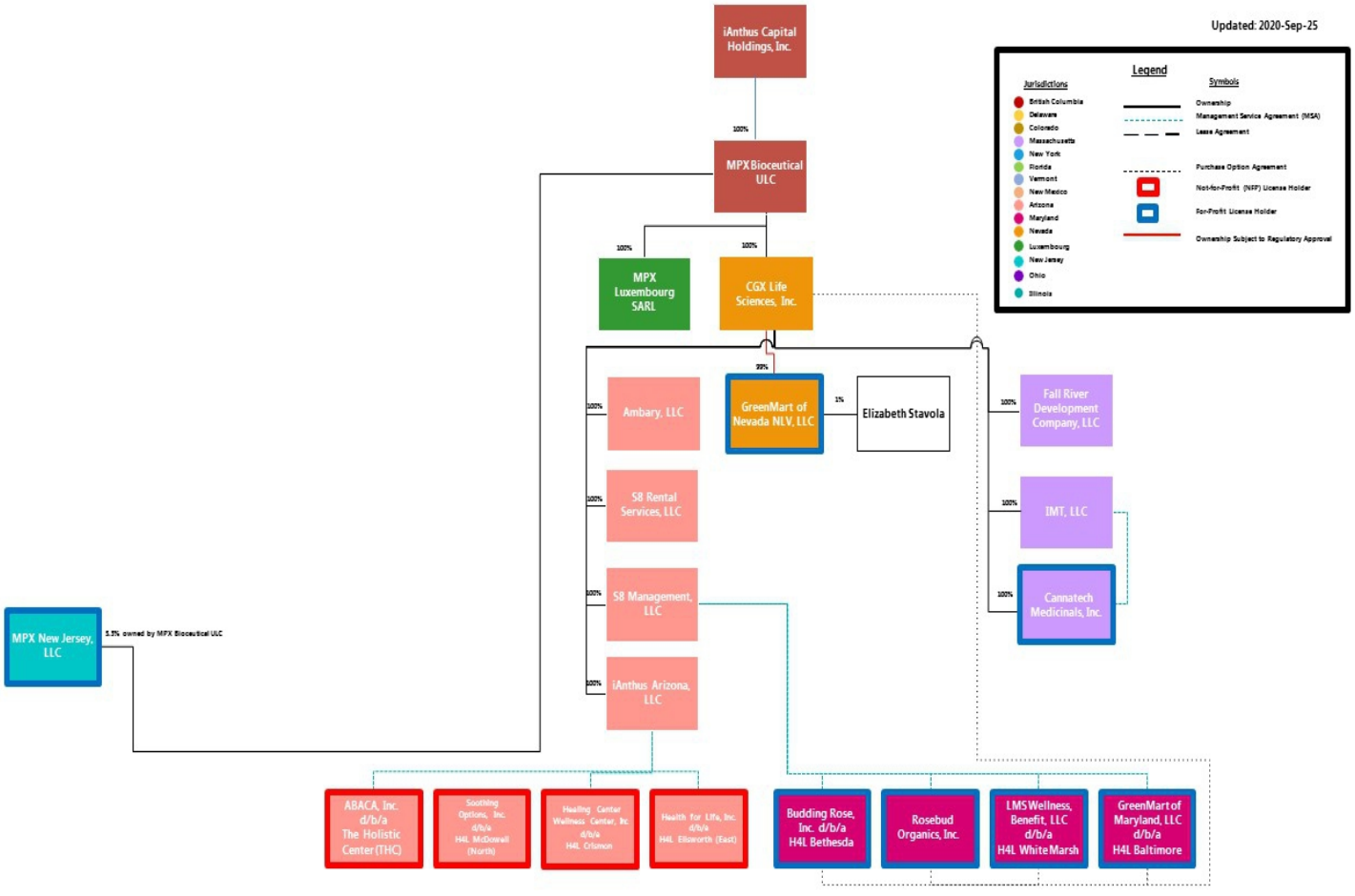
Large accelerated filter	☐	Accelerated filter	☐
Non-accelerated filter	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided by Section 7(a)(2)(B) of the Securities Act. ☐

THE COMPANY

iAnthus Capital Holdings, Inc. (the "Company") is a holding company with the subsidiaries set forth in the chart below.





ITEM 1. BUSINESS.

Unless the context indicates or suggests otherwise, references to "we," "our," "us," the "Company," or "iAnthus" refer to iAnthus Capital Holdings, Inc., a corporation organized under the laws of British Columbia, Canada, individually, or as the context requires, collectively with its subsidiaries.

Overview

We are a leading, vertically-integrated, multi-state owner and operator of licensed cannabis cultivation, processing and dispensary facilities and a developer, producer and distributor of innovative branded cannabis and cannabidiol ("CBD") products in the United States. We are committed to creating a national retail brand and portfolio of branded cannabis and CBD products recognized in the United States.

Through our subsidiaries, we currently own and/or operate 29 dispensaries and 10 cultivation and/or processing facilities in nine U.S. states. In addition, we distribute cannabis and CBD products to over 200 dispensaries and CBD products to over 2,300 retail locations throughout the United States. Pursuant to our existing licenses, interests and contractual arrangements, we have the capacity to own and/or operate up to an additional 13 dispensaries in five states, plus an uncapped number of dispensaries in Florida and up to 12 cultivation and/or processing facilities and we have the right to manufacture and distribute cannabis products in nine U.S. states.

Our multi-state operations encompass the full spectrum of medical and adult-use cannabis and CBD enterprises, including cultivation, processing, product development, wholesale-distribution and retail. Cannabis products offered by us include flower and trim, products containing cannabis flower and trim (such as pre-rolls), cannabis infused products (such as topical creams and edibles) and products containing cannabis extracts (such as vape cartridges, concentrates, live resins, wax products, oils and tinctures). Our CBD products include products designed for wellness (such as topical creams, tinctures and sprays) and products designed for beauty and skincare (such as lotions, creams, haircare products, lip balms and bath bombs).

Operations

Cultivation. We cultivate multiple strains of cannabis plants within our licensed cultivation facilities across the United States. We believe that our facilities are designed, managed and operated to cultivate high-quality products in a cost-effective manner. Our cultivation process uses all parts of the cannabis plant, including flower and trim ("biomass"), to produce cannabis products that we sell at our dispensaries and distribute to third parties on a wholesale basis. We have 12 cultivation and processing licenses in nine U.S. states, with approximately 417,000 square feet of cultivation and processing space which is fully built-out, approximately 400,000 square feet of space which is under construction and the ability to expand to a total of approximately 817,000 square feet of space within our existing lots. We currently have the ability to harvest approximately 56,000 pounds of biomass annually in our existing cultivation space, and we believe that we will have the ability to harvest approximately 195,000 pounds of biomass annually if we are able to use all of our projected cultivation space, including the cultivation space that is currently under construction and the additional unused cultivation space within our existing lots.

Product Development and Processing. We develop and sell cannabis products for medical and adult-use and CBD products for wellness, beauty and skincare. Biomass is processed into oil and resin that is used to develop numerous cannabis-extracted products, including vape pen oils, lotions, tinctures, other concentrates and edibles. We typically conduct product development and processing activities within our cultivation facilities and CBD products are manufactured in third-party manufacturing facilities. Processing procedures include developing formulations and packaging for all cannabis branded products, including the brands we own (such as Mayflower Medicinals, Black Label and Melting Point Extracts (MPX)), as well as brands that we manufacture and sell pursuant to our white label and/or licensing agreements.

Distribution.

Wholesale.

We distribute our cannabis products through our wholesale channel to over 200 dispensaries, including our own dispensaries. Our MPX and Black Label branded products are distributed in over 170 dispensaries in Arizona, Maryland and Nevada. Our CBD products, which are produced under the brand name CBD For Life, are distributed through a mass market retail model, including online at *www.cbdforlife.us* and in over 2,300 retail locations across the United States. Wholesale customers for our CBD products include dispensaries, local retailers and several national retailers. We also have distribution and sales partnerships for our CBD products.

Retail.

We currently own and/or operate 29 dispensaries for the sale of medical and/or adult-use cannabis, CBD and ancillary products. These dispensaries sell products that have been cultivated, developed and processed by us as well as third parties, in states where such sales are permitted. We own and/or operate licensed dispensaries in prime markets, including Baltimore, Bethesda, Boston, Brooklyn, Miami, Orlando, Phoenix, Staten Island and West Palm Beach, and we plan to open additional locations in other prime markets such as Atlantic City and Las Vegas.

Our Marijuana Dispensaries, Cultivation and Manufacturing

The table below provides a summary of our licensed operations:

State	Licensed Entity	Type of Investment	Permitted Number of Facilities
Arizona	ABACA, Inc. ("ABACA") The Healing Center Wellness Center, LLC ("THCWC") Health for Life, Inc. ("HFL") Soothing Options, Inc. ("Soothing Options")	See Note 1	4 dispensaries[2] 8 cultivation[2] 8 processing[2]
Colorado	See Note 3	See Note 3	See Note 3
Florida	McCrory's Sunny Hill Nursery, LLC ("McCrory's")	Ownership (100%)[4]	No dispensary cap[5] 1 cultivation[6] 1 processing[6]
Maryland	LMS Wellness, Benefit LLC ("LMS") GreenMart of Maryland, LLC ("GMMD") Rosebud Organics, Inc. ("Rosebud") Budding Rose, Inc. ("Budding Rose")	See Note 7	3 dispensaries 1 processing
Massachusetts	Mayflower Medicinals, Inc. ("Mayflower") Cannatech Medicinals, Inc. ("Cannatech")	Ownership (100%)[8]	3 medical dispensaries[9] 3 adult-use dispensaries[9] 3 medical cultivation/processing[10] 3 adult-use cultivation[10] 3 adult-use processing[10]
Nevada	GreenMart of Nevada NLV, LLC ("GMNV")	See Note 11	3 dispensaries[11] 1 cultivation[12] 1 processing[12]
New Jersey	MPX New Jersey, LLC ("MPX NJ")	See Note 13	3 dispensaries[14] 1 cultivation[15] 1 processing[15]
New York	Citiva Medical, LLC ("Citiva")	Ownership (100%)	4 dispensaries[16] 1 cultivation[16] 1 processing[16]
Vermont	FWR Inc. d/b/a Grassroots Vermont ("GRVT")	Ownership (100%)[17]	2 dispensaries[18] 1 cultivation[18] 1 processing[18]
United States	iA CBD, LLC ("iA CBD")	Ownership (100%)	See Note 19

(1) ABACA, HFL, Soothing Options and THCWC are non-profit entities. Our wholly owned subsidiary, iAnthus Arizona, LLC ("iA AZ"), has entered into management agreements with ABACA, HFL, Soothing Options and THCWC, each of which holds an Arizona Medical Marijuana Dispensary Registration Certificate.

(2) An Arizona Medical Marijuana Dispensary Registration Certificate permits its holder to operate one medical cannabis dispensary which can be co-located with one medical cannabis cultivation and processing facility and one separately located cultivation and processing facility. Through ABACA, HFL, Soothing Options and THCWC, we currently operate four medical cannabis dispensaries and three facilities for medical cannabis cultivation and processing, two of which are co-located with their affiliated dispensaries. The Dispensary Registration Certificates held by ABACA, HFL, Soothing Options and THCWC, collectively allow for the operation of up to four medical cannabis dispensaries and up to eight medical cannabis cultivation and processing facilities, subject to regulatory approval.

(3) We do not currently have a license to operate a cannabis business in Colorado; however, on December 5, 2016, in related transactions, we, through our wholly-owned subsidiaries, Scarlet Globemallow, LLC ("Scarlet") and Bergamot Properties, LLC ("Bergamot") acquired certain non-cannabis assets of Organix, LLC ("Organix") and the real estate holdings of Organix's affiliate, DB Land Holdings, Inc., consisting of a 12,000 square foot cultivation facility in Denver, Colorado. Bergamot also purchased a dispensary located in Breckenridge, Colorado from a third-party.

(4) We own 100% of GHHIA Management, Inc. ("GHHIA"), which holds an exclusive 40-year management agreement to operate the medical cannabis business associated with the Florida Medical Marijuana Treatment Center ("MMTC") license issued to McCrory's and held an option to acquire 100% of McCrory's for a nominal consideration, subject to the approval of the Florida Department of Health. On August 14, 2019, the Florida Department of Health approved GHHIA's option to acquire McCrory's and GHHIA subsequently exercised the option. Accordingly, we, through our wholly-owned subsidiary GHHIA, now own 100% of McCrory's.

(5) Until April 1, 2020, Florida imposed a progressive limit on the number of medical cannabis dispensaries that could be operated by each vertically licensed MMTC based on the number of registered qualified medical cannabis patients in the state. This statutory cap, which permitted 25 dispensaries per MMTC, increasing by 5 dispensaries for each additional 100,000 patients registered in Florida's Medical Marijuana Use Registry, expired on April 1, 2020. As of April 1, 2020, the MMTC license held by McCrory's is no longer subject to the statutory cap. Through its vertically integrated MMTC license, McCrory's currently operates 16 medical dispensaries in Florida.

(6) Through its vertically integrated MMTC license, McCrory's currently operates one co-located cultivation and processing facility located in Lake Wales, Florida.

(7) Our wholly-owned subsidiary, S8 Management, LLC ("S8 Management"), has entered into management agreements with three medical cannabis dispensaries, LMS, Budding Rose, GMMD and one medical cannabis processor facility, Rosebud. Our wholly-owned subsidiary, CGX Life Sciences, Inc. ("CGX"), holds options to acquire the medical cannabis dispensary licenses and the medical cannabis processor license in the future, subject to regulatory approval.

(8) We, through our wholly-owned subsidiary, iAnthus Capital Management, LLC ("ICM"), own 100% of Mayflower, which holds several medical and adult-use cannabis licenses. In addition, we, through our wholly-owned subsidiary CGX, own 100% of two separate management entities with service and consulting agreements with a second vertically integrated medical cannabis license holder, Cannatech Medicinals, Inc. ("Cannatech"). On October 8, 2020, we obtained approval from the Massachusetts Cannabis Control Commission ("CCC") to convert Cannatech from a non-profit corporation to a for-profit corporation. On November 16, 2020, Cannatech was converted from a non-profit corporation to a for-profit corporation. As a result of the conversion, Cannatech is now owned 100% by the Company, through its wholly-owned subsidiary, CGX. In Massachusetts, an entity is permitted to control and operate up to three vertically-integrated medical Marijuana Treatment Center licenses, which include medical cultivation, product manufacturing and retail dispensing functions, up to three adult-use Marijuana Establishment cultivation licenses, up to three adult-use Marijuana Establishment product manufacturing licenses and up to three adult-use Marijuana Establishment retail licenses, with a maximum total cultivation "canopy" of up to 100,000 square feet. We, through Mayflower, currently hold one final vertically integrated medical license, one provisional vertically integrated medical license, one final adult-use cultivation license, one final adult-use product manufacturing license, one final adult-use retail license and one provisional adult-use retail license. Mayflower is also currently applying for a third provisional adult-use Marijuana Establishment retail license In addition, Cannatech currently holds one provisional vertically integrated medical license and on October 8, 2020, Cannatech was granted one provisional adult-use Marijuana Establishment cultivation license and one provisional adult-use product manufacturing license.

(9) We currently operate one Marijuana Treatment Center retail location, or medical dispensary, in Boston, Massachusetts. We anticipate operating a total of three medical Marijuana Treatment Center retail locations in Boston, Lowell and Fall River, Massachusetts, subject to applicable regulatory approvals. In addition, we anticipate operating three Marijuana Establishment retail locations, or adult-use dispensaries, two of which we expect will be co-located with our Marijuana Treatment Center retail locations in Boston and Lowell, Massachusetts and one of which will be located in Worcester, Massachusetts, subject to applicable regulatory approvals. On October 8, 2020, we obtained a final license to operate our Worcester, Massachusetts adult-use Marijuana Establishment retail location, which will exclusively maintain adult-use operations and is expected to open in 2020.

(10) Our Holliston, Massachusetts facility currently includes the cultivation and product manufacturing operations of its final vertically integrated medical Marijuana Treatment Center license as well as the operations of its final adult-use Marijuana Establishment cultivation license and product manufacturing license. Subject to regulatory approval, we expect that our Holliston, Massachusetts facility will also include the cultivation and product manufacturing operations of our additional provisional vertically-integrated medical Marijuana Treatment Center license. Subject to regulatory approval, we expect that our Fall River, Massachusetts facility will include the cultivation and product manufacturing operations of the provisional vertically integrated medical Marijuana Treatment Center license held by Cannatech as well as the operations of a provisional adult-use Marijuana Establishment cultivation license and provisional adult-use product manufacturing license granted to Cannatech on October 8, 2020. Subject to applicable regulatory approval, we expect to operate cultivation and product manufacturing functions for three vertically integrated medical licenses, two adult-use cultivation licenses and two adult-use product manufacturing licenses out of two facilities in Holliston and Fall River, Massachusetts. We may also seek an additional adult-use cultivation license and an additional product manufacturing license within the Massachusetts statutory and regulatory limitations.

(11) As a result of the acquisition of MPX Bioceutical Corporation on February 5, 2019 (the "MPX Acquisition"), we, through our wholly-owned subsidiary CGX, have acquired 99% of the ownership interests of GMNV, a licensed cultivation and production facility located in North Las Vegas, Nevada (the "NLV Facility") that also holds three conditional dispensary licenses to be located in Henderson, Las Vegas and Reno, Nevada. The change in control of GMNV must be approved by the Nevada Cannabis Compliance Board ("CCB"), which is currently reviewing our application. Approval by the CCB will also result in us acquiring the remaining 1% ownership interest in GMNV and we will then own 100% of GMNV through our wholly-owned subsidiary, CGX.

(12) GMNV currently has two Nevada medical cannabis establishment registration certificates, one for cultivation and one for production, each of which occurs at the NLV Facility. GMNV also currently has two Nevada adult-use licenses, one for cultivation and one for production, each of which also occurs at the same NLV Facility.

(13) On August 27, 2019, iAnthus New Jersey, LLC, our wholly-owned subsidiary, entered into a financing, leasing, licensing and services agreement with MPX NJ, which remains subject to regulatory approval by the New Jersey Department of Health.

(14) One medical dispensary is permitted under the current rules in New Jersey, with the possibility of operating two more satellite dispensaries subject to regulatory approval. Under New Jersey law, the license holder must obtain such approval prior to January 2, 2021.

(15) MPX NJ cultivates medical cannabis at its Pleasantville, New Jersey facility, which is also expected to include processing capabilities.

(16) We, through our wholly-owned subsidiary ICM, own 100% of Citiva, which holds a vertically integrated medical cannabis license allowing Citiva to operate one medical manufacturing facility, including cultivation and processing capabilities and up to four medical dispensaries. Citiva currently operates three medical dispensaries in Brooklyn, Wappingers Falls and Staten Island, New York. We anticipate operating one additional medical dispensary in Ithaca, New York and one manufacturing facility in Warwick, New York, subject to applicable regulatory approvals.

(17) We own 100% of Grassroots Vermont Management Services, LLC ("GVMS"), the sole shareholder of GRVT, which has entered into a management services agreement with GRVT. Accordingly, we, through our wholly-owned subsidiary GVMS, own 100% of GRVT.

(18) GRVT is a Vermont Registered Marijuana Dispensary, which permits GRVT to operate one vertically integrated location to cultivate, process and dispense medical cannabis and one additional dispensing location. GRVT currently operates one vertically integrated location where it cultivates, processes and dispenses medical cannabis in Brandon, Vermont. Subject to regulatory approval, GRVT anticipates opening an additional dispensing location in Burlington, Vermont.

(19) On June 27, 2019, we, through our wholly-owned subsidiary, iA CBD, acquired substantially all of the property and assets of CBD For Life, LLC ("CBD For Life"). As a result of the acquisition of CBD For Life, iA CBD is engaged in the formulation, manufacture, creation and sale of products infused with CBD. The CBD used to manufacture these products is exclusively derived from hemp. We intend for all our hemp-derived products to be produced and sold in accordance with the 2014 Farm Bill and the 2018 Farm Bill, as applicable, at the time and location of operation and for such products to constitute hemp under the 2018 Farm Bill.

Growth Strategies and Strategic Priorities

Expand retail footprint within existing dispensary license portfolio. We currently have 29 operating dispensaries; however, our licenses permit us to own and/or operate an additional 13 dispensaries in five states, plus an uncapped number of licenses in Florida. We have dispensary licenses in key markets throughout the United States including New York City (Brooklyn and Staten Island), Boston, the Washington D.C. metro area (Bethesda), the Tampa and St. Petersburg area, Phoenix, the Miami and Fort Lauderdale area, Orlando, Baltimore and Las Vegas. We intend to expand our operations in Florida, Massachusetts, Nevada, New Jersey and New York.

Increase cultivation and processing capacity. We have 10 operational cultivation and processing licenses in nine states, with approximately 417,000 square feet of cultivation and processing space which is fully built-out, approximately 400,000 square feet of space which is under construction and the ability to expand to a total of approximately 817,000 square feet of space within our existing lots. We currently have the ability to harvest approximately 56,000 pounds of biomass annually in our existing cultivation space and we believe that we will have the ability to harvest approximately 195,000 pounds of biomass annually if we are able to use all of our projected cultivation space, including the cultivation space that is currently under construction and the additional unused cultivation space within our existing lots.

Increase patient and customer counts per location. We are focused on brand awareness and attracting new and existing patients and customers to our dispensaries and online ordering platforms. Our marketing and sales strategies include medical outreach, industry associations and websites, social media and a variety of other grassroots initiatives.

Acquire attractive targets to enhance our footprint, product offerings and/or operations. Strategic acquisitions are an important part of our ongoing growth strategy. We expect to continue to make strategic acquisitions that, among other things, are intended to increase revenue, build our geographic footprint, add new branded products to our portfolio and allow us to expand our capabilities and/or help improve operating efficiencies in existing markets.

Secure additional operating licenses throughout the United States. As more states legalize medical and/or adult-use cannabis products or expand their current cannabis regulations, new or additional cultivation, processing and/or dispensary licenses may become available. Given our operational history, we believe that we are well positioned to apply for any such new licenses.

Acquisitions

iA CBD, LLC

On June 27, 2019, we acquired substantially all of the assets and liabilities of CBD For Life through our wholly owned subsidiary, iA CBD, for consideration of $10.9 million (in cash and our common shares). As a result of this acquisition, we entered the CBD products market. We sell CBD For Life products directly to consumers online at *www.cbdforlife.us* as well as in over 2,300 retail locations across the United States.

MPX Bioceutical ULC

On February 5, 2019, we acquired the U.S. operations of MPX Bioceutical Corporation, which amalgamated into our-wholly owned subsidiary MPX Bioceutical ULC ("MPX") for consideration of $533.1 million (in our common shares and common shares of a newly formed spin-out corporation which holds all of the non-U.S. cannabis businesses of MPX). In addition, we assumed certain debt instruments, warrants and options of MPX. As a result of the MPX Acquisition, we expanded our operations from six to ten states and added a robust portfolio of MPX-branded products. In addition, we acquired operations in Arizona, Nevada, Maryland and New Jersey and expanded our operations in Massachusetts.

Citiva Medical, LLC

On February 1, 2018, we acquired Citiva which holds one vertically integrated medical cannabis license in the state of New York for consideration of $24.8 million (in cash and our common shares). As a result of the acquisition of Citiva, we expanded our cannabis operations to New York and are permitted tooperate one medical manufacturing facility, including cultivation and processing capabilities and up to four medical dispensaries in New York.

GrowHealthy Properties, LLC

On January 17, 2018, we acquired substantially all of the assets of GrowHealthy Properties, LLC ("GHP") and McCrory's (collectively "GrowHealthy") for consideration of $58.3 million (in cash and our common shares). The transactions included the formation of iAnthus Holdings Florida, LLC and GHHIA, each a wholly-owned subsidiary of ICM, together with the purchase of GHP and an option to acquire 100% of McCrory's for nominal consideration. On September 19, 2019, the option was exercised and 100% of the membership interest in McCrory's was transferred to GHHIA. As a result of the acquisition of GrowHealthy, we expanded our cannabis operations to Florida and as a result of the acquisition of McCrory's, we hold a medical marijuana treatment center license in the state of Florida that permits us to operate one or more cultivation and processing facilities and an unlimited number of dispensaries.

Mayflower and Pilgrim

On December 31, 2017, we acquired an 80% interest in Pilgrim Rock Management, LLC ("Pilgrim") and on April 17, 2018, we acquired the remaining 20% interest in Pilgrim for consideration of an aggregate of 1,665,734 of our common shares. Pilgrim is an affiliated management company that provides management services, financing, intellectual property licensing, real estate, equipment leasing and certain other services to Mayflower. On July 31, 2018, Mayflower converted from a non-profit into a for-profit corporation and became our wholly-owned subsidiary. As a result of the acquisitions of Mayflower and Pilgrim, we expanded our cannabis operations to Massachusetts. Mayflower maintains one final vertically integrated medical license, one provisional vertically integrated medical license, one final adult-use cultivation license, one final adult-use product manufacturing license, one final adult-use retail license and one provisional adult-use retail license. Mayflower is also currently applying for a third provisional adult-use Marijuana Establishment retail license. Mayflower's vertically integrated medical Marijuana Treatment Center license is comprised of a co-located cultivation and product manufacturing facility in Holliston, Massachusetts and a dispensary in Boston, Massachusetts, as well as one adult-use Marijuana Establishment cultivation license and one adult-use Marijuana Establishment product manufacturing license, which are also co-located with Mayflower's medical Marijuana Treatment Center cultivation and product manufacturing facility in Holliston, Massachusetts. Mayflower received its final adult-use Marijuana Establishment retail license for its Worcester, Massachusetts dispensary, which is expected to open before the end of 2020.

Competition

We compete on a state-by-state basis in the limited license medical and adult-use cannabis markets as well as the national CBD markets. Participation in state cannabis programs has significant regulatory and financial hurdles that create high barriers to entry, which result in a limited number of market participants in most states. In addition, most of the states in which we operate impose regulatory limitations on the number of cannabis licenses that can be granted, thus allowing for existing license holders to compete against a fixed number of regulated competitors in a particular market. We face competition from local regulated cannabis operators as well as illicit cannabis businesses and other persons engaging in illicit cannabis-related activities within each state. Our primary competitors include the following multi-state operators: Acreage Holdings, Inc., Cresco Labs Inc., Curaleaf Holdings Inc., Green Thumb Industries Inc., Harvest Health & Recreation, Inc. and Trulieve Cannabis Corp.

With respect to our CBD business, we compete with a growing number of emerging CBD companies including multi-state cannabis operators that also offer CBD products, as well as certain large national and multinational corporations that offer or plan to offer CBD products that are or may be deemed similar to those offered by us.

Recent Developments

Payment of Outstanding Obligations

In connection with the MPX Acquisition, we assumed a long-term note (the "Stavola Trust Note") in the principal amount of $10.8 million, payable to the Elizabeth Stavola 2016 NV Irrevocable Trust. The trust is for the benefit of Elizabeth Stavola, our former Chief Strategy Officer and a former member of our board of directors (the "Board of Directors" or "Board"). On January 10, 2020, we repaid the outstanding principal amount of $10.8 million and interest of $24,000 on the Stavola Trust Note, repaying the note in full.

Special Committee Formation

On March 31, 2020, a special committee (the "Special Committee") comprised of independent directors was formed to launch an investigation into the actions of Hadley Ford, who, at the time of the investigation, was our Chief Executive Officer and a member of the Board. On April 27, 2020, the Special Committee concluded, and our Board accepted, that Mr. Ford entered into two undisclosed loans (one for $100,000 with a related-party and one for $60,000 with a non-arm's length party) which created a potential or apparent conflict of interest and should have been disclosed to the Board in a timely manner. On that same day, the Board accepted the resignation of Mr. Ford from his positions as a director and officer of the Company as well as from his positions as a director and officer of the Company's subsidiaries, effective immediately. Immediately following Mr. Ford's resignation, Randy Maslow, our President, was appointed to serve as our Interim Chief Executive Officer. In connection with Mr. Ford's resignation, on April 27, 2020, we entered into a settlement and general release agreement with Mr. Ford pursuant to which, among other things, we extended the maturity date of Mr. Ford's loan to June 30, 2021 and the balance of the loan was partially offset by compensation owed to Mr. Ford in the amount of $488,467.

Financial Restructuring

Due to the liquidity constraints we experienced in the first quarter of 2020, we attempted to negotiate temporary relief of our interest obligations with the holders (the "Secured Lenders") of our 13% senior secured convertible debentures (the "Secured Convertible Notes") issued by ICM. However, we were unable to reach an agreement and did not make interest payments when due and payable to the Secured Lenders or payments that were due to the holders of our 8% convertible unsecured debentures (the "Unsecured Convertible Debentures" and together with the Secured Convertible Notes, the "Debentures") (the "Unsecured Lenders" and together with the Secured Lenders, the "Lenders"). As of September 30, 2020, we are in default of our obligations pursuant to the Debentures which consists of $97,507,778 and $60,000,000 in principal amount plus accrued interest thereon with respect to the Secured Convertible Notes and Unsecured Convertible Debentures, respectively.

As a result of the default, all amounts, including principal and accrued interest, became immediately due and payable to the Lenders. Furthermore, as a result of the default, we also became obligated to pay an exit fee (the "Exit Fee") of $10,000,000 that accrues interest at a rate of 13% annually in relation to the Secured Convertible Notes, which, as of September 30, 2020, is in excess of approximately $12.9 million. Upon payment of the Exit Fee, the holders of the Secured Convertible Notes issued in May 2018 ("Tranche One Secured Convertible Notes") are required to transfer the 3,891,051 common shares issued under the $10,000,000 equity financing that closed concurrently with the Tranche One Secured Convertible Notes to us. As of September 30, 2020, we have not paid the Exit Fee and such shares have not been transferred to us.

On June 22, 2020, we received a notice demanding repayment under the Secured Notes Purchase Agreement of the entire principal amount of the Secured Convertible Notes, together with interest, fees, costs and other charges that have accrued or may accrue from Gotham Green Admin 1, LLC, the collateral agent (the "Collateral Agent") holding security for the benefit of the Secured Convertible Notes. The Collateral Agent concurrently provided us with a Notice of Intention to Enforce Security under section 244 of the Bankruptcy and Insolvency Act (Canada) (the "BIA Notice"). Pursuant to section 244 of the Bankruptcy and Insolvency Act (Canada) (the "BIA"), the Collateral Agent may not enforce the security over the collateral granted by us until ten days after sending the BIA Notice unless we consent to an earlier enforcement of the security.

On July 13, 2020, we entered into a restructuring support agreement (the "Restructuring Support Agreement") with the Secured Lenders and a majority of the Unsecured Lenders (the "Consenting Unsecured Lenders") to effectuate a proposed recapitalization transaction ("the Recapitalization Transaction") to be implemented by way of a court-approved plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia) (the "BCBCA") following approval by the Secured Lenders, Unsecured Lenders and our existing shareholders. Pursuant to the Recapitalization Transaction, the Secured Lenders, the Unsecured Lenders and our shareholders are to be allocated and issued, approximately, such amounts of Restructured Senior Debt (as defined below), Interim Financing (as defined below), 8% Senior Unsecured Convertible Debentures and percentage of our pro forma common shares, as presented in the following table:

(in '000s of U.S. dollars)	Restructured Senior Debt[1]	Interim Financing[2]	8% Senior Unsecured Debentures[3]	Pro Forma Common Equity[4]
Secured Lenders	$ 85,000	$ 14,737	$ 5,000	48.625%
Unsecured Lenders	-	-	15,000	48.625%
Existing Shareholders	-	-	-	2.75%
Total	**$ 85,000**	**$ 14,737**	**$ 20,000**	**100.00%**

(1) The principal balance of the Secured Convertible Notes will be reduced to $85,000,000, which will be increased by the amount of the Interim Financing, which has a first lien, senior secured position over all of our assets, is non-convertible and non-callable for three years and includes payment in kind at an interest rate of 8% per year and a maturity date which will be five years after the consummation of the Recapitalization Transaction (the "Restructured Senior Debt").

(2) The Secured Lenders provided $14,736,842 of Interim Financing to ICM, on substantially the same terms as the Restructured Senior Debt, net of a 5% original issue discount. The amounts of the Interim Financing along with any accrued interest thereon is expected to be converted into, and the original principal balance will be added to, the Restructured Senior Debt upon consummation of the Recapitalization Transaction.

(3) The 8% Senior Unsecured Debentures include payment in kind at an interest rate of 8% per year, a maturity date which will be five years after the consummation of the Recapitalization Transaction, are non-callable for three years and are subordinate to the Restructured Senior Debt but senior to our common shares.

(4) Following consummation of the Recapitalization Transaction, a to-be-determined amount of equity will be made available for management, employee and director incentives, as determined by the New Board (as defined below). All of our existing warrants and options will be cancelled and our common shares may be consolidated pursuant to a consolidation ratio which has yet to be determined.

Upon consummation of the Recapitalization Transaction, a new board of directors (the "New Board") will be composed of the following members: (i) three nominees will be designated by the Secured Lenders; (ii) three nominees will be designated by the Consenting Unsecured Lenders; and (iii) one nominee will be designated by the director nominees of the Secured Lenders and Consenting Unsecured Lenders to serve as a member of our Board of Directors.

Pursuant to the terms of the proposed Recapitalization Transaction, the Collateral Agent, the Secured Lenders and the Consenting Unsecured Lenders agreed to forbear from further exercising any rights or remedies in connection with any events of default that now exist or may in the future arise under any of the purchase agreements with respect of the Secured Convertible Notes and all other agreements delivered in connection therewith, the purchase agreements with respect of the Unsecured Convertible Debentures and all other agreements delivered in connection therewith and any other agreement to which the Collateral Agent, Secured Lenders, or Consenting Unsecured Lenders are a party to (collectively, the "Defaults") and shall take such steps as are necessary to stop any current or pending enforcement efforts in relation thereto. Upon consummation of the Recapitalization Transaction, the Collateral Agent, Secured Lenders and Consenting Unsecured Lenders are also expected to irrevocably waive all Defaults and take all steps required to withdraw, revoke and/or terminate any enforcement efforts in relation thereto.

On September 14, 2020, our securityholders voted in support of the Recapitalization Transaction. Specifically, all of the holders of the Secured Convertible Notes and Unsecured Convertible Debentures voted in favor of the Plan of Arrangement. In addition, the holders of our common shares, options and warrants, representing 79.0% of the votes cast, voted in favor of the Plan of Arrangement.

On October 5, 2020, the Plan of Arrangement was approved by the Supreme Court of British Columbia, subject to the receipt of all necessary regulatory and stock exchange approvals.

On November 3, 2020, Walmer Capital Limited, Island Investments Holdings Limited and Alastair Crawford collectively served and filed a Notice of Appeal with respect to the Court's approval of the Plan of Arrangement.

Financing

On July 13, 2020, ICM issued secured debentures ("July Secured Debentures") in the aggregate principal amount of $14,736,842 (including a 5% original issue discount) to the Secured Lenders pursuant to a Second Amended and Restated Debenture Purchase Agreement dated as of July 10, 2020 and as contemplated pursuant to the Recapitalization Transaction. The July Secured Debentures mature on July 13, 2025 and accrue interest at a rate of 8% annually. Interest is to be paid in kind by adding the interest accrued to the principal amount on the last day of each fiscal quarter and thereafter such added amount will become part of the principal amount and will begin to accrue interest at a rate of 8% annually. Interest will be payable on the date that all of the principal amount is due and payable. ICM is not permitted to redeem, convert, or prepay the July Secured Debentures prior to July 13, 2023 without the prior written consent of the Secured Lenders. Similar to the Secured Notes, the July Secured Debentures are secured by certain of our current and future assets.

Mutual Termination of Acquisition

On July 31, 2020, we and WSCC, Inc. ("Sierra Well") announced the mutual termination of the previously announced merger agreement entered into on September 18, 2019 pursuant to which we were to acquire Sierra Well, a cannabis cultivator, processor, distributor and retailer in Nevada subject to regulatory approval.

Redemption of 24.6% Equity Interest in RGA

On October 22, 2020, our 24.6% equity interest in RGA was redeemed for approximately $2.4 million. RGA is owned in part by an individual with a familial relationship to Hadley Ford, our former officer and director.

Intellectual Property

Our portfolio of subsidiaries currently includes a number of local brands; however, we intend to transition to a national model under fewer brands. As cannabis currently remains illegal under U.S. federal law, we cannot register our cannabis brands with the U.S. Patent and Trademark Office ("USPTO"). However, we rely on the intellectual property protections afforded under applicable state laws and common law through the use of our marks in commerce in each of the respective regions in which we operate.

Governmental Regulations

Cannabis

In the United States, the cultivation, manufacturing, importation, distribution, use and possession of cannabis is illegal under U.S. federal law. However, medical and adult-use cannabis has been legalized and regulated by individual states. Currently, 36 states plus the District of Columbia and certain U.S. territories recognize, in one form or another, the medical use of cannabis, while 15 of those states plus the District of Columbia and certain U.S. territories recognize, in one form or another, the full adult-use of cannabis. Notwithstanding the regulatory environment with respect to cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the U.S. Controlled Substances Act (the "CSA"). Accordingly, the use, possession, or distribution of cannabis violates U.S. federal law. As a result, cannabis businesses in the United States are subject to inconsistent state and federal legislation, regulation and enforcement.

Under former President Barack Obama, in an effort to provide guidance to U.S. federal law enforcement regarding the inconsistent regulation of cannabis at the U.S. federal and state levels, the U.S. Department of Justice ("DOJ") released a memorandum on August 29, 2013 titled "Guidance Regarding Marijuana Enforcement" from former Deputy Attorney General James Cole (the "Cole Memorandum"). The Cole Memorandum acknowledged that, although cannabis is a Schedule I controlled substance under the CSA, the U.S. Attorneys in states that have legalized cannabis should prioritize the use of the U.S. federal government's limited prosecutorial resources by focusing enforcement actions on the following eight areas of concern (the "Cole Priorities"):

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- Preventing marijuana possession or use on U.S. federal property.

In January 2018, under the administration of President Donald Trump, former U.S. Attorney General Jeff Sessions rescinded the Cole Memorandum. While this did not create a change in U.S. federal law, as the Cole Memorandum was policy guidance and not law, the rescission added to the uncertainty of U.S. federal enforcement of the CSA in states where cannabis use is legal and regulated. Former Attorney General Sessions, concurrent with the rescission of the Cole Memorandum, issued a memorandum ("Sessions Memorandum") which explained that the Cole Memorandum was "unnecessary" due to existing general enforcement guidance adopted in the 1980s, as set forth in the U.S. Attorney's Manual ("USAM"). The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the U.S. federal government's limited resources and include law enforcement priorities set by the Attorney General, the seriousness of the alleged crimes, the deterrent effect of criminal prosecution and the cumulative impact of particular crimes on the community.

While the Sessions Memorandum emphasizes that cannabis is a Schedule I controlled substance under the CSA and states that it is a "dangerous drug and that marijuana activity is a serious crime," it does not otherwise provide that the prosecution of cannabis-related offenses is now a DOJ priority. Furthermore, the Sessions Memorandum explicitly indicates that it is a guide for prosecutorial discretion and that discretion is firmly in the hands of U.S. Attorneys who determine whether to prosecute cannabis-related offenses. U.S. Attorneys could individually continue to exercise their discretion in a manner similar to that permitted under the Cole Memorandum. While certain U.S. Attorneys have publicly affirmed their commitment to proceeding in a manner contemplated under the Cole Memorandum, or otherwise affirmed that their views of U.S. federal enforcement priorities have not changed as a result of the rescission of the Cole Memorandum, others have publicly supported the rescission of the Cole Memorandum.

As of the date of hereof, although the Department of Justice under Attorney General William Barr has not taken a formal position on the federal enforcement of laws relating to cannabis, Attorney General William Barr stated that his preference would be to have a uniform federal rule against cannabis, but, absent such a uniform rule, his preference would be to permit the existing federal approach leaving it up to the states to make their own decision. In addition, Attorney General William Barr has indicated that the DOJ is currently reviewing the Strengthening the Tenth Amendment Through Entrusting States Act ("STATES Act"), which would shield individuals and businesses complying with state cannabis laws from federal intervention.

Other federal legislation provides or seeks to provide protection to individuals and businesses acting in violation of U.S. federal law but in compliance with state cannabis laws. For example, the Rohrabacher-Farr Amendment has been included in annual spending bills passed by Congress since 2014. The Rohrabacher-Farr Amendment restricts the DOJ from using federal funds to interfere with states implementing laws that authorize the use, distribution, possession, or cultivation of medical cannabis.

U.S. courts have construed these appropriations bills to prevent the U.S. federal government from prosecuting individuals or businesses engaged in cannabis-related activities to the extent they are operating in compliance with state medical cannabis laws. However, because this conduct continues to violate U.S. federal law, U.S. courts have observed that should the U.S. Congress choose to appropriate funds to prosecute individuals or businesses acting in violation of the CSA, such individuals or businesses could be prosecuted for violations of U.S. federal law even to the extent/even if they are operating in compliance with applicable state medical cannabis laws.

If Congress declines to include the Rohrabacher-Farr Amendment in future fiscal year appropriations bills or fails to pass necessary budget legislation causing a government shutdown, the U.S. federal government will have the authority to spend federal funds to prosecute individuals and businesses acting contrary to the CSA for violations of U.S. federal law.

Furthermore, the appropriations protections only apply to individuals and businesses operating in compliance with a state's medical cannabis laws and provide no protection to individuals or businesses operating in compliance with a state's adult-use cannabis laws. On June 20, 2019, however, the U.S. House of Representatives passed the Blumenauer-Norton-McClintock Amendment, which would expand the protections afforded by the Rohrabacher-Farr Amendment to individuals and businesses operating in compliance with applicable state adult-use cannabis laws. The U.S. Senate did not include the Blumenauer-McClintock-Norton Amendment in its appropriations bill, and ultimately, the Blumenauer-McClintock-Norton Amendment was not passed into law. On July 30, 2020, the U.S. House of Representatives again voted to include the Blumenauer-Norton-McClintock Amendment in the Commerce, Justice, Science and Related Agencies Appropriations Act, 2021. However, it is unclear whether the U.S. Senate will include the Blumenauer-McClintock-Norton Amendment in its version of the appropriations bill and whether it will ultimately be included in appropriations legislation for 2021.

Additionally, there are a number of marijuana reform bills that have been introduced in the U.S. Congress that would amend federal law regarding the legal status and permissibility of medical and adult-use cannabis, including the STATES Act, the Marijuana Opportunity Reinvestment and Expungement Act (the "MORE Act") and the Substance Regulation and Safety Act (the "SRSA"). The STATES Act would create an exemption in the CSA to allow states to determine their own cannabis policies without fear of federal reprisal. The MORE Act, which was passed by the House Judiciary Committee on November 20, 2019, would remove cannabis from the CSA, expunge federal cannabis offenses and establish a 5% excise tax on cannabis to fund various federal grant programs. The SRSA, which was introduced by U.S. Senator Tina Smith on July 30, 2020, would remove cannabis from the CSA, grant the FDA authority to regulate cannabis and cannabis products and regulate the safety and quality control of cannabis crops and the import and export of cannabis materials. On December 4, 2020, the House passed the MORE Act. Nevertheless, it is uncertain which federal marijuana reform bills, if any, will ultimately be passed and signed into law.

Businesses in the regulated cannabis industry, including our business, are subject to a variety of laws and regulations in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 ("Bank Secrecy Act") and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "US PATRIOT Act") and the rules and regulations thereunder and any related or similar rules, regulations, or guidelines, issued, administered, or enforced by governmental authorities in the United States. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan, or any other service could be charged with money laundering, aiding and abetting, or conspiracy.

Despite these laws, the Financial Crimes Enforcement Network ("FinCEN"), a bureau within the U.S. Department of the Treasury ("U.S. Treasury"), issued a memorandum on February 14, 2014 (the "FinCEN Memorandum"), which provides instructions to banks and other financial institutions seeking to provide services to cannabis-related businesses. The FinCEN Memorandum explicitly references the Cole Priorities and indicates that in some circumstances it is permissible for banks and other financial institutions to provide services to cannabis-related businesses without risking prosecution for violation of U.S. federal money laundering laws. Under these guidelines, financial institutions are subject to a requirement to submit a suspicious activity report in certain circumstances as required by federal money laundering laws. These cannabis related suspicious activity reports are divided into three categories: marijuana limited, marijuana priority and marijuana terminated, based on the financial institution's belief that the marijuana business follows state law, is operating out of compliance with state law, or where the banking relationship has been terminated, respectively. The FinCEN Memorandum refers to supplementary guidance in the Cole Memorandum relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA.

The rescission of the Cole Memorandum did not affect the status of the FinCEN Memorandum, and to date, the U.S. Treasury has not given any indication that it intends to rescind the FinCEN Memorandum. While the FinCEN Memorandum was originally intended to work in tandem with the Cole Memorandum, the FinCEN Memorandum appears to remain in effect as standalone guidance. Although the FinCEN Memorandum remains intact, indicating that the U.S. Treasury and FinCEN intend to continue abiding by its guidance, it is unclear whether the Trump administration will continue to follow the guidelines set forth under the FinCEN Memorandum.

In March 2019, the U.S. House of Representatives Financial Services Committee passed the Secure and Fair Enforcement Banking Act (the "SAFE Banking Act") and the U.S. Senate held a hearing on the SAFE Banking Act in July 2019. On September 25, 2019, the U.S. House of Representatives passed the SAFE Banking Act. The SAFE Banking Act creates protections for financial institutions that provide banking services to businesses acting in compliance with applicable state cannabis laws, but it is uncertain whether it will be passed by the U.S. Senate and ultimately signed into law. On May 15, 2020, the U.S. House of Representatives passed the Health and Economic Recovery Omnibus Emergency Solutions Act (the "HEROES Act"), which included the provisions of the SAFE Banking Act. The U.S. House of Representatives passed a more limited version of the HEROES Act on October 1, 2020, which also includes the provisions of the SAFE Banking Act. However, it is unclear whether the version of the HEROES Act to be passed by the U.S. Senate and ultimately signed into law will include the provisions of the SAFE Banking Act.

There can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. In addition, local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that could make it difficult or impossible to operate cannabis businesses in certain jurisdictions.

Hemp

On December 20, 2018, the U.S. Agriculture Improvement Act of 2018 (the "2018 Farm Bill") was signed into law. Prior to its enactment, the U.S. federal government did not distinguish between cannabis and hemp and the entire plant species Cannabis sativa L. (subject to narrow exceptions applicable to specific portions of the plant) was scheduled as a controlled substance under the CSA. Therefore, the cultivation of hemp for any purpose in the United States without a Schedule I registration with the U.S. Drug Enforcement Agency ("DEA") was federally illegal, unless exempted by Section 7606 of the Agricultural Act of 2014 (the "2014 Farm Bill"). The 2018 Farm Bill removed hemp (which is defined as "the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis") and its derivatives, extracts and cannabinoids, including cannabidiol ("CBD") derived from hemp, from the definition of marijuana in the CSA, thereby removing hemp and its derivatives from DEA purview as a controlled substance. The 2018 Farm Bill also amends the Agricultural Marketing Act of 1946 to allow for the commercial production of hemp in the United States under the purview of the United States Department of Agriculture (the "USDA") in coordination with state departments of agriculture that elect to have primary regulatory authority over hemp production in their respective jurisdictions. Pursuant to the 2018 Farm Bill, states, U.S. territories and tribal governments may adopt their own regulatory plans for hemp production even if more restrictive than federal regulations so long as they meet minimum federal standards and are approved by the USDA. Hemp production in states and tribal territories that do not choose to submit their own plans and that do not prohibit hemp production will be governed by USDA regulation.

On October 31, 2019, the USDA issued an interim final rule governing the domestic production of hemp under the 2018 Farm Bill, establishing the U.S. Domestic Hemp Production Program (the "USDA IFR"). The USDA IFR will be effective from October 31, 2019 through November 1, 2021, at which time the USDA may adopt permanent regulations. The USDA IFR outlines the requirements for the USDA to approve plans submitted by states and tribal governments for the domestic production of hemp. It also establishes a federal plan for hemp producers in states or territories of Native American tribes that do not have USDA-approved hemp production plans. Pursuant to the USDA IFR, the USDA reviews hemp production plans submitted by state and tribal governments that wish to obtain or retain primary regulatory authority over hemp production in their respective jurisdictions. Once the USDA formally receives a plan from a state or tribal government, the agency has 60 days to review and approve or reject the plan.

Although the USDA IFR provides the framework for the USDA, state departments of agriculture and tribal governments to begin the implementation of commercial hemp production programs pursuant to the 2018 Farm Bill, the 2014 Farm Bill was scheduled to remain in effect for one year after the effective date of the USDA IFR.

Accordingly, until the USDA approves a state or tribal hemp production plan and licenses are issued pursuant to a USDA-approved plan, the 2014 Farm Bill is currently the primary U.S. federal law governing domestic hemp production. The application of the hemp provisions of the 2014 Farm Bill was set to expire on October 31, 2020, at which time state programs would be required to comply with the 2018 Farm Bill regulations. However, with this deadline approaching, U.S. Senators and state agricultural departments requested an extension of the application of the 2014 Farm Bill and a delay of the implementation of the 2018 Farm Bill due to delays caused by COVID-19. On October 1, 2020, a Continuing Resolution passed by the U.S. House of Representatives and U.S. Senate was signed by President Trump to fund federal agencies at fiscal 2020 levels through December 11, 2020, which also extended the application of the hemp provisions of the 2014 Farm Bill and delayed the implementation of the 2018 Farm Bill for another year until October 31, 2021.

Under both the 2014 Farm Bill and the 2018 Farm Bill, states and tribal governments have authority to adopt regulatory regimes that are more restrictive than federal mandates or prohibit hemp production altogether. Accordingly, variance in hemp regulation across jurisdictions is likely to persist. Compliance with state hemp law, if any, is required under both the 2014 Farm Bill and 2018 Farm Bill.

As a result of the 2018 Farm Bill, federal law now provides that CBD derived from hemp is not a controlled substance under the CSA; however, CBD derived from hemp could still be considered a controlled substance under applicable state law. States take varying approaches to regulating the production and sale of hemp and hemp-derived CBD. While some states explicitly authorize and regulate the production and sale of CBD or otherwise provide legal protection for authorized individuals and businesses to engage in commercial hemp activities, other states maintain outdated drug laws that do not distinguish hemp or hemp-derived CBD from marijuana (or "cannabis" as used herein), resulting in hemp being classified as a controlled substance under certain state laws. In these states, the sale of CBD, notwithstanding its origin, is either restricted to state medical or adult-use cannabis program licensees or remains unlawful. Additionally, a number of states prohibit the sale of consumable CBD products based on the position of the U.S. Food and Drug Administration (the "FDA") set forth in the Federal Food, Drug & Cosmetic Act (the "FFDCA") that it is unlawful to introduce food containing added CBD or THC into interstate commerce, or to market CBD or THC products as or in dietary supplements regardless of whether the substances are hemp-derived.

The 2018 Farm Bill preserves the authority and jurisdiction of the FDA under the FFDCA to regulate the manufacture, marketing and sale of food, drugs, dietary supplements and cosmetics, including products that contain hemp extracts and derivatives such as CBD. As a producer and marketer of hemp-derived products, we are required to comply with FDA regulations applicable to the manufacturing and marketing of such products, including with respect to dietary supplements, food and cosmetics. To date, the FDA has not deemed CBD or other cannabinoids permissible for use in dietary supplements, as dietary ingredients, or as safe for use in food. The FDA has consistently taken the position that CBD is prohibited from being marketed as a dietary supplement or added to food because substantial clinical trials studying CBD as a new drug were made public prior to the marketing of any food or dietary supplements containing CBD.

To date, the FDA has issued warning letters to companies unlawfully marketing CBD products. In many of these cases, the manufacturer made unsubstantiated claims that products containing CBD are able to treat serious medical conditions, including cancer, Alzheimer's disease, opioid withdrawal and anxiety, among others, without obtaining drug approvals. Some of these letters were co-signed with the U.S. Federal Trade Commission and cited the companies for making claims about the efficacy of CBD that were not substantiated by scientific evidence.

The FDA has stated that it recognizes the potential opportunities and significant interest in drugs and consumer products containing CBD, is committed to evaluating the agency's regulatory policies related to CBD and has established a high-level internal working group to explore potential pathways for various types of CBD products to be lawfully marketed. The FDA has authority to issue regulation that would allow these naturally-occurring hemp compounds to be added to food or dietary supplements. In May 2019, the FDA held a public hearing to obtain scientific data and information about the safety, manufacturing, product quality, marketing, labeling and sale of products containing cannabis or cannabis-derived compounds.

In connection with the Further Consolidated Appropriations Act, 2020, the House Committee on Appropriations issued an explanatory statement agreeing to appropriate $2 million in funding to the FDA for research, policy evaluation, market surveillance and issuance of an enforcement discretion policy for products under the FDA's jurisdiction that contain CBD. The legislation requires the FDA to provide a report within 60 days regarding its progress in obtaining and analyzing data to help determine a policy of enforcement discretion and the process through which CBD will be evaluated for use in products. On March 5, 2020, the FDA issued a report on its progress and committed to expanding its educational efforts regarding CBD products, encouraging, facilitating and initiating more research on CBD, continuing to monitor the CBD marketplace and take appropriate action against unlawful CBD products that pose a risk of harm to the public and developing a risk-based enforcement policy aimed at protecting the public and providing more regulatory clarity regarding the FDA's CBD enforcement priorities. The FDA further announced that it is actively evaluating potential rulemaking to allow CBD in dietary supplements. The FDA is also required to conduct a sampling study of the current CBD marketplace to determine the extent to which products containing CBD are mislabeled or adulterated within 180 days of the enactment of the Further Consolidated Appropriations Act, 2020.

On July 9, 2020, the FDA issued its sampling study to the U.S. House Committee on Appropriations and the U.S. Senate Committee on Appropriations detailing the sampling conducted in recent years on CBD products. While the minority of CBD products previously tested by the FDA contained CBD concentrations consistent with their labeling, the report states that a majority of products tested for potentially harmful elements "did not raise significant public health concerns." The report further provides that the FDA will undertake a more extensive sampling effort expected to cover a representative sample of currently marketed CBD products, including tinctures, oils, extracts, capsules, powders, gummies, water and other beverages, conventional foods, cosmetics, lubricants, tampons, suppositories, vape cartridges and products sold for consumption by pets. Products will be evaluated for cannabinoid content as well as potentially harmful elements.

The rules, regulations and enforcement in this area continue to evolve and develop. Most recently, on August 20, 2020, the DEA issued an interim final rule conforming its regulations to the 2018 Farm Bill (the "DEA IFR"), which went into effect on August 21, 2020. The DEA IFR was subject to public comment through October 20, 2020, which period has since expired. Notably, the DEA IFR creates uncertainty with respect to the federal legal status of any hemp derivative, extract, or product that exceeds a delta-9 tetrahydrocannabinol concentration of 0.3 percent during processing, which, pursuant to the DEA IFR, renders it a federal Schedule I substance under the CSA even if the hemp plant from which any such material is sourced does not exceed the 0.3 percent threshold.

Additionally, on September 4, 2020, the Hemp and Hemp-Derived CBD Consumer Protection and Market Stabilization Act of 2020 was introduced in the U.S. House of Representatives, which permits the inclusion of hemp and CBD derived from hemp as ingredients in dietary supplements that otherwise comply with the applicable requirements for dietary supplements set forth in the FFDCA and the Fair Packaging and Labeling Act. The bill does not address the inclusion of hemp or CBD derived from hemp as ingredients in food products, and it is unclear whether it will ultimately be passed and signed into law.

The rules, regulations and enforcement in this area continue to evolve and develop. Until the FDA formally adopts regulations authorizing the production and sale of CBD products as food and/or dietary supplements, there is a risk that the FDA could take enforcement action against us. Failure to comply with FDA requirements may result in, among other things, warning letters, injunctions, product withdrawals, recalls, seizures, fines and criminal prosecutions. We continue to closely monitor FDA developments with respect to CBD and our compliance with applicable United States laws relating to hemp, including the FDA's regulations of CBD and evaluate and implement appropriate compliance measures on an ongoing basis.

Application of Cannabis Regulations in the United States

Violations of U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from either civil or criminal proceedings brought by either the U.S. federal government or private citizens, including, but not limited to, disgorgement of profits, seizure of property or products, cessation of business activities, or divestiture. Our cannabis business activities and the cannabis business activities of our subsidiaries, while believed to be compliant with applicable U.S. state and local laws, currently are illegal under U.S. federal law.

Cannabis regulations in Canada

We do not, directly or indirectly, engage in the cultivation, processing, or dispensing of cannabis or any other cannabis-related activity in Canada. As such, to our knowledge, our Canadian corporate operations are not subject to any cannabis regulations in Canada.

Employees

As of September 30, 2020, we have 663 full-time and 170 part-time employees. We are not a party to any collective bargaining agreements. We believe that we maintain good relations with our employees.

Corporate Information

We are a company incorporated under the laws of British Columbia, Canada. We were incorporated on November 15, 2013 under the name Genarca Holdings Ltd. and on August 4, 2016, we changed our name to iAnthus Capital Holdings, Inc.

Our corporate headquarters is located at 420 Lexington Avenue, Suite 414, New York, NY 10170 and our telephone number is (646) 518-9411. Our website address is *www.ianthus.com*. No information available on or through our website shall be deemed to be incorporated into this Registration Statement on Form 10.

Our common shares, no par value, are listed on the Canadian Securities Exchange ("CSE") under the symbol "IAN" and quoted on the OTC Pink Tier of the OTC Markets Group, Inc. under the symbol "ITHUF."

ITEM 1A. RISK FACTORS.

Risk Factors Related to Our Company

We rely on third-party suppliers, manufacturers and contractors.

We rely on third-party suppliers, manufacturers and contractors to provide certain products and services. Due to the uncertain regulatory landscape for regulating cannabis in the United States, our third-party suppliers, manufacturers and contractors may elect, at any time, to decline or withdraw services necessary for our operations and the operations of our subsidiaries. Loss of these suppliers, manufacturers and contractors could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to continue executing our merger and acquisition strategy successfully.

Our business plan depends in part on our ability to continue merging with or acquiring other businesses in the cannabis industry, including cultivators, processors, manufacturers and dispensaries. The success of any acquisition will depend upon, among other things, our ability to integrate acquired personnel, operations, products and technologies into our organization effectively, to retain and motivate key personnel of acquired businesses, to retain their customers and maintain product quality.

Any future mergers or acquisitions, or similar transactions, are subject to conditions, which may include, without limitation, our satisfactory completion of due diligence, negotiation and finalization of formal legal documents, financing and approval from our Board of Directors. As a result, there can be no assurance that we will complete any such transactions. If we do not complete such transactions, we may be subject to a number of risks, including, but not limited to:

- a decline in the price of our common shares to the extent that the current market price reflects a market assumption that these transactions will be completed;
- the payment of certain costs related to each transaction, such as legal, accounting and consulting fees, even if a transaction is not completed; and
- an absence of assurance that such opportunities will be available to us in the future, or at all.

Furthermore, any future merger or acquisition may result in the diversion of management's attention from other business concerns. In addition, such transactions may be dilutive to our financial results and/or result in impairment charges and write-offs. Such transactions could involve other risks, including the assumption of unidentified or unknown liabilities, disputes or contingencies, for which we, as a successor owner, may be responsible, and/or changes in the industry, location, or regulatory or political environment in which these investments are located, that our due diligence review may not adequately uncover and that may arise after entering into such transactions.

Although we expect to realize strategic, operational and financial benefits as a result of our mergers and acquisitions, we cannot predict whether and to what extent such benefits will be achieved.

We compete for market share with other companies, which may have longer operating histories, more financial resources and more manufacturing and marketing experience than us.

We face and expect to continue to face, competition from other companies some of which may have longer operating histories, more financial resources, more experience and greater brand recognition than us. Increased competition by larger and well-financed competitors and/or competitors that have longer operating histories, greater brand recognition and more manufacturing and marketing experience than us could have a material adverse effect on our business, financial condition and results of operations. As we operate in an early stage industry, we expect to face additional competition from new entrants. Specifically, we expect to face additional competition from new market entrants that are granted licenses within a particular state in which we operate or existing license holders which are not yet active in the industry. If a significant number of new licenses are granted, we may experience increased competition for market share and downward price pressure on our products as new entrants increase production, which could have a material adverse effect on our business.

In addition, if the number of users of cannabis increases, the demand for products will increase and we expect that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, we will require a continued high level of investment in research and development together with marketing, sales and other support. We may not have sufficient resources to maintain research and development and sales efforts on a competitive basis, which could have a material adverse effect on our business, financial condition and results of operations.

Our U.S. tax classification could have a material adverse effect on our financial condition and results of operations.

Although we are a Canadian corporation, we are classified as a U.S. domestic corporation for U.S. federal income tax purposes under section 7874(b) of the U.S. Internal Revenue Code of 1986, as amended (the "U.S. Tax Code") and will be subject to U.S. federal income tax on our worldwide income. However, for Canadian tax purposes, regardless of any application of section 7874 of the U.S. Tax Code, we are treated as a Canadian resident corporation. As a result, we are subject to taxation in both Canada and the United States, which could have a material adverse effect on our financial condition and results of operations. It is unlikely that we will pay any dividends on our common shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purposes of the Income Tax Act (Canada) (the "Canadian Tax Act") will generally be subject to a 30 percent U.S. withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the U.S.-Canada income tax treaty ("U.S.-Canada Treaty"). In addition, a Canadian foreign tax credit may not be available under the Canadian Tax Act in respect of such taxes. Dividends received by shareholders resident in the United States will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax under the Canadian Tax Act. In the event we pay any dividends, they will be characterized as U.S. source income for purposes of the foreign tax credit rules under the U.S. Tax Code. Accordingly, shareholders resident in the United States generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, such shareholders have an excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax. Dividends received by shareholders that are residents of neither Canada nor the United States generally will be subject to U.S. withholding tax and Canadian withholding tax. These dividends may not qualify for a reduced rate of U.S. withholding tax under any income tax treaty otherwise applicable to our shareholders, subject to examination of the relevant treaty. Since we are classified as a U.S. domestic corporation for U.S. federal income tax purposes under section 7874(b) of the U.S. Tax Code, our common shares will be treated as shares of a U.S. domestic corporation and shareholders will be subject to the relevant provisions of the U.S. Tax Code and/or the U.S. Treaty.

Each shareholder should seek tax advice, based on such shareholder's particular facts and circumstances, from an independent tax advisor, including, without limitation, in connection with our classification as a U.S. domestic corporation for U.S. federal income tax purposes under section 7874(b) of the U.S. Tax Code, the application of the U.S. Tax Code, the application of the U.S.-Canada Treaty, the application of U.S. federal estate and gift taxes, the application of U.S. federal tax withholding requirements, the application of U.S. estimated tax payment requirements and the application of U.S. tax return filing requirements.

We may incur significant tax liabilities under section 280E of the U.S. Tax Code.

Section 280E of the U.S. Tax Code prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA). The Internal Revenue Service of the United States ("IRS") has invoked section 280E of the U.S. Tax Code in tax audits against various cannabis businesses in the United States that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly and the bulk of operating costs and general administrative costs are not permissible deductions. As a result, we will have an effective tax rate in the U.S. significantly higher than the rate typically applicable to U.S. corporations. While there are currently several pending cases before various U.S. administrative and federal courts challenging these restrictions, there can be no assurance that these courts will issue an interpretation of Section 280E of the U.S. Tax Code favorable to cannabis businesses.

If our goodwill, other intangibles or fixed assets become impaired, we may be required to record a significant charge to earnings.

When we acquire a business, a substantial portion of the purchase price of the acquisition can be allocated to goodwill and other identifiable intangible assets. The amount of the purchase price that is allocated to goodwill and other identifiable intangible assets is determined by the excess of the purchase price over the net identifiable assets acquired. As of December 31, 2019, we held goodwill of $201.0 million and other intangible assets, including cannabis operations licenses, trade names and brand intangibles, of $177.6 million.

Under U.S. generally accepted accounting principles ("GAAP"), the carrying amount of our goodwill is tested at least annually for impairment on December 31st of each fiscal year. On each quarter end date, we assess whether recent events or changes in circumstances constitute a triggering event requiring us to assess whether goodwill, other intangibles or fixed assets may be impaired before the annual testing date. Occurrences that may constitute a change in circumstances include, but are not limited to, a decline in our share price and market capitalization, decreases in expected future cash flows and slower growth rates in our industry. We review our fixed assets and other finite life intangibles for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. As a result of our annual test, we recognized an impairment loss on goodwill of $234.3 million and $nil for the years ended December 31, 2019 and 2018, respectively. No impairment losses were recorded on our other intangibles or fixed assets.

Under GAAP, if we determine that goodwill, other intangibles or fixed assets are impaired, we will be required to write down these assets. Any write-down would have a negative effect on our consolidated financial statements. During the second half of 2019, our share price declined below net book value per share. As a result, we were required to record a significant impairment loss to reduce the amount of goodwill recorded in our financial statements for the year ended December 31, 2019. If the share price continues to remain below the net book value per share, or other negative business factors arise, we may be required to perform additional impairment analyses before our next annual testing date of December 31, 2020, which could result in additional impairment charges.

We rely on the operators of our subsidiaries to execute their business plans and operations.

We rely on operators of our subsidiaries to execute on their business plans, produce cannabis products and otherwise conduct day to day operations. As a result, our cash flows are dependent upon the ability of our subsidiaries to operate successfully. The operators of our subsidiaries have significant influence over the results of operations. Further, our interests and the interests of such operators may not always be aligned. As a result, our cash flows are dependent upon the activities of the operators of our subsidiaries, which creates the risk that at any time those third parties may:

- have business interests or targets that are inconsistent with ours;
- take action contrary to our policies or objectives;
- be unable or unwilling to fulfill their obligations under their agreements with us; or
- experience financial, operational or other difficulties, including insolvency, which could limit or suspend their ability to perform their obligations.

In addition, payments may flow through our subsidiaries and there is a risk of delay and additional expense in receiving such payments. Our failure to receive payments in a timely fashion, or at all, may have a material adverse effect on us. In addition, we must rely, in part, on the accuracy and timeliness of the information we receive from our subsidiaries and use such information in our analyses, forecasts and assessments relating to our business. If the information provided to us by our subsidiary contains material inaccuracies or omissions, our ability to accurately forecast or achieve such subsidiary's stated objectives or satisfy our reporting obligations may be materially impaired.

We have and may continue to invest in securities of private companies and may hold a minority interest in such companies, which may limit our ability to sell or otherwise transfer those securities and direct management decisions of such companies.

We have and may continue to invest in securities of private companies and may hold a minority interest in such companies. In some cases, we may be restricted for a period by contract or applicable securities laws from selling or otherwise transferring those securities. In addition, any securities of private companies in which we invest may not have a liquid market and the inability to sell those securities on a timely basis or at acceptable prices may impair our ability to exit the investments when we consider appropriate. Further, to the extent we hold a minority interest in certain companies, we may be limited in our ability to direct management decisions of such companies.

We have experienced negative cash flow from operating activities since inception.

We experienced negative cash flow from operating activities since inception. Although we anticipate having positive cash flow from operating activities in future periods, we cannot provide assurance that we will achieve sufficient revenues from sales of cannabis, CBD and/or other related products to achieve or maintain profitability or positive cash flow from operating activities. Our inability to achieve or maintain profitability or positive cash flow from operating activities could have a material adverse effect on our business, financial condition and results of operations.

There is substantial doubt about our ability to continue as a going concern.

We do not believe that our current cash on hand will be sufficient to fund our projected operating requirements. This raises substantial doubt about our ability to continue as a going concern. In addition, the report of our independent registered public accounting firm on our audited financial statements for each of the two years ended December 31, 2019 and 2018 contains an explanatory paragraph regarding substantial doubt about our ability to continue as a going concern. Our audited financial statements do not include any adjustments that might result from the outcome of the uncertainty regarding our ability to continue as a going concern. This going concern opinion could materially limit our ability to raise additional funds through the issuance of equity or debt securities or otherwise. If we cannot continue as a going concern, our investors may lose their entire investment in our securities. Until we can generate significant cash flows, we expect to satisfy our future cash needs through debt or equity financing; however, there can be no assurance that such capital will be available, or if available, that it will be on terms acceptable to us.

We are a holding company and a majority of our assets are the capital stock of our subsidiaries.

We are a holding company and the majority of our assets are the capital stock of our subsidiaries. As a result, investors are subject to the risks attributable to our subsidiaries. As a holding company, we conduct substantially all of our business through our subsidiaries, which generate substantially all of our revenues. Consequently, our cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of our subsidiaries and the distribution of those earnings to us. The ability of our subsidiaries to make distributions will depend on their operating results and will be subject to, among other things, applicable laws and regulations which require that solvency and capital standards be maintained and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before we can receive any distributions from our subsidiaries.

We may face limitations on ownership of cannabis licenses.

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person or entity may own. Such limitations on the ownership of additional licenses within certain states may limit our ability to grow in such states.

We believe that we have and will seek to maintain adequate insurance coverage in respect of risks customarily insured by other companies in our industry; however, premiums for such insurance may not continue to be on terms acceptable to us and there may be coverage limitations and other exclusions that may not be sufficient to cover potential liabilities that we may be exposed to.

We believe that we have, and will seek to maintain, adequate coverage in respect of risks customarily insured by other companies in our industry, including insurance to protect our assets, operations and employees. While we do not maintain crop insurance and our ability to obtain insurance coverage may be limited because of our industry, we believe our insurance coverage addresses all material risks to which we are exposed and is adequate and customary in our current state of operations. However, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which we may be exposed. In addition, no assurance can be given that such insurance will be adequate to cover our liabilities or will be generally available in the future or, if available, that premiums will be on terms acceptable to us. If we were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if we were to incur such liability at a time when we are not able to obtain liability insurance, it could have a material adverse effect on our business, financial condition and results of operations.

Our cannabis cultivation operations are vulnerable to rising energy costs and dependent upon key inputs.

Our cannabis cultivation operations consume considerable amounts of energy making us vulnerable to rising energy costs. Rising or volatile energy costs could have a material adverse effect on our business, financial condition and results of operations. In addition, our business is dependent on a number of key inputs and their related costs, including raw materials and supplies related to our growing operations, as well as electricity, water and other utilities. Some of these inputs may, in the future, be available only from a single supplier or a limited group of suppliers. In such event, if a sole source supplier were to go out of business, we may be unable to find a replacement for such source in a timely manner, or at all. If such sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to us or our subsidiaries in the future. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs or our inability to secure required supplies and services or to do so on appropriate terms could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to transport our products to customers in a safe and efficient manner.

We depend on fast and efficient third-party transportation services to distribute our hemp-based products. Any prolonged disruption of third-party transportation services could have a material adverse effect on our sales volumes or our end users' satisfaction with our services. Rising costs associated with third-party transportation services used by us to ship our hemp-based products may also adversely impact our profitability and more generally our business, financial condition and results of operations.

The security of products during transportation will be of the utmost concern. A breach of security during transport or delivery could result in the loss of high-value product. A failure to take steps necessary to ensure the safekeeping of cannabis and hemp could also have an impact on our ability to operate under our licenses, to renew or receive amendments to such licenses, or to receive required new licenses.

Notwithstanding the passage of the 2018 Farm Bill, local law enforcement officials in Oklahoma and Idaho previously seized shipments of hemp traveling through those states on the grounds that (i) the products qualified as marijuana and were illegal under these states' controlled substances laws and (ii) the interstate transportation provision of the 2018 Farm Bill had not yet taken effect. Criminal charges were also filed. Despite the intent of the 2018 Farm Bill to allow interstate transportation of hemp products—even through states lacking hemp programs—the novelty of the 2018 Farm Bill hemp provision and conflicts among state laws, has created confusion and caused differing interpretations among local authorities. Accordingly, there remains risk of enforcement even when activity is lawful under federal and state law. Notably, on May 28, 2019, the USDA Office of General Counsel issued a legal opinion concluding that, among other things, states may not prohibit the interstate transportation or shipment of hemp, regardless of whether the hemp is produced under the 2014 Farm Bill or the 2018 Farm Bill. This opinion is not binding and certain states have already indicated that they do not intend to follow it.

The cannabis and hemp industry is subject to the risks inherent in an agricultural business, including the risk of crop failure.

The growing of cannabis and hemp is an agricultural process. As such, a business with operations in the cannabis and hemp industry is subject to the risks inherent in the agricultural business, including risks of crop failure presented by weather, insects, plant diseases and similar agricultural risks. Accordingly, there can be no assurance that artificial or natural elements, such as insects and plant diseases, will not entirely interrupt production activities or have an adverse effect on the production of cannabis and hemp and, accordingly, acquisition prices which could have a material adverse effect on our operations.

There is uncertainty surrounding the characterization of CBD.

There is uncertainty surrounding the characterization of CBD as a food and/or dietary ingredient by the FDA, and we may be subject to enforcement action taken by the FDA concerning products containing derivatives from hemp. On January 13, 2020, Representative Collin C. Peterson introduced H.R. 5587, a bill seeking to amend the FFDCA with respect to the regulation of hemp-derived CBD and substances containing hemp-derived CBD which, if enacted into law, would consider hemp-derived CBD and substances containing hemp-derived CBD to be dietary supplements under the FFDCA, resolving ambiguity and providing clear guidance to stakeholders about how to comply with applicable FDA law. However, there can be no assurance that such bill will be enacted into law, and our failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals or recalls, product seizures, fines and criminal prosecutions.

We are dependent on the popularity of consumer acceptance of cannabis and hemp products.

We believe the cannabis and hemp industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis and related products distributed to such consumers. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis and hemp-based products. There has been limited scientific research on cannabis and hemp and there can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention, or other research findings or publicity will be favorable to the cannabis and hemp market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention, or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings, or publicity could have a material adverse effect on the demand for our products and on our business, financial condition and results of operations. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis, hemp and related products in general, or our products specifically, or associating the consumption of cannabis and hemp or related products with illness or other negative effects or events, could also have such a material adverse effect. Such adverse publicity reports or other media attention could have such a material adverse effect even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to our business and activities, whether true or not. Although we take care in protecting our image and reputation, we do not ultimately have direct control over how it is perceived by others. Reputational loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to our overall ability to advance our projects, thereby having a material adverse impact on our financial performance, financial condition, cash flows and growth prospects.

Furthermore, adverse publicity reports or other media attention could hinder market growth and state legalization of cannabis due to inconsistent public opinion and perception of the medical and adult-use cannabis industry. While public opinion and support appears to be rising for legalizing the use of cannabis for medical and adult use, especially in the United States, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, decriminalizing cannabis as opposed to full legalization). If consumers do not accept our cannabis or hemp products, or if we fail to meet customers' needs and expectations adequately, our ability to continue generating revenues could be reduced which could have a material adverse effect on our business.

The presence of trace amounts of THC in our hemp products may cause adverse consequences to users of such products that will expose us to the risk of liability and other consequences.

Some of our products that are intended to primarily contain U.S. hemp-derived CBD may contain trace amounts of THC. THC is an illegal or controlled substance in many jurisdictions, including under the federal laws of the U.S. Whether or not ingestion of THC (at low levels or otherwise) is permitted in a particular jurisdiction, there may be adverse consequences to consumers of our U.S. hemp products who test positive for any amounts of THC, even trace amounts, because of the presence of unintentional amounts of THC in our hemp products. In addition, certain metabolic processes in the body may negatively affect the results of drug tests. As a result, we may have to recall our products from the market. Positive tests for THC may adversely affect our reputation and our ability to obtain or retain customers. A claim or regulatory action against us based on such positive test results could materially and adversely affect our business, financial condition, operating results, liquidity, cash flow and operational performance.

We will need additional capital to sustain our operations and will likely need to seek further financing, which may not be able on acceptable terms, if at all. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be limited.

We have limited capital resources and operations. Our net losses for the year ended December 31, 2019 and 2018 were $281.1 million and $86.8 million, respectively, and our accumulated deficit as of December 31, 2019 and 2018 was $417.8 million and $108.5 million, respectively. To date, our operations have been funded primarily from the proceeds of debt and equity financings, and we may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to us when needed or on terms which are acceptable. If additional capital is raised through further issuances of equity or debt securities, existing holders of our common shares could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to our existing common shareholders. Furthermore, our outstanding debt instruments impose certain restrictions on our operating and financing activities, including certain restrictions on our ability to incur certain additional indebtedness, grant liens, make certain dividends and other payment restrictions affecting our subsidiaries, issue shares or convertible securities and sell certain assets. In addition, any debt financing secured in the future could also involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Due to the fact that cannabis is illegal under U.S. federal law, we may have difficulty attracting investors or raising capital on favorable terms, or at all.

We have outstanding debt instruments that are secured by a security interest in all of our assets and our failure to comply with the terms and covenants of such debt instruments could result in our loss of all of our assets.

We have outstanding debt instruments that are secured by a security interest in all of our assets. If we fail to comply with the covenants set forth in the debt instruments or if we fail to make certain payments under the debt instruments when due, the holders of such debt could declare the debt instruments in default. If we default on any such debt instruments, the holders have the right to seize our assets that secure the debt instruments, which may force us to suspend all operations.

We and our subsidiaries have limited operating histories and therefore we are subject to many of the risks common to early-stage enterprises.

We and certain of our subsidiaries have limited operating histories, which may make evaluating our business and future prospects difficult and may increase the risk of an investment in our business. We may face certain risks and difficulties as an early-stage company with limited operating history, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenue. Our ability to manage growth effectively will require us to manage our subsidiaries effectively and continue to implement and improve our operational and financial systems and to expand, train and manage our employees. There is no assurance that we will be able to manage growth effectively. If we do not successfully address these risks, it could have a material adverse effect on our business, financial condition and results of operations.

We depend on key personnel to operate our business, and if we are unable to retain, attract and integrate qualified personnel, our ability to develop and successfully grow our business could be harmed.

We believe our success has depended and will continue to depend on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees, including employees with sufficient experience in the cannabis industry. Qualified individuals, including individuals with sufficient experience in the cannabis industry, are in high demand, and we may incur significant costs to attract and retain such individuals. In addition, the loss of any of our key employees or senior management could have a material adverse effect on our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Our executive officers and other employees are at will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We may not be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, it could have a material adverse effect on our business, financial condition and results of operations.

We may have increased labor costs based on union activity.

Labor unions are working to organize workforces in the cannabis industry in general. It is possible that certain retail and/or manufacturing locations will be organized in the future, which could lead to work stoppages or increased labor costs and adversely affect our business. We cannot predict how stable our relationships with U.S. labor organizations would be or whether we would be able to meet any unions' requirements without impacting our financial condition. Labor unions may also limit our flexibility in dealing with our workforce. Work stoppages and instability in our union relationships could delay the production and sale of our products, which could strain relationships with customers and cause a loss of revenues which would adversely affect our operations.

We may have difficulty accessing the service of banks, which may make it difficult us to operate.

Since cannabis and certain cannabis-related activities are illegal under U.S. federal law and certain state laws, many banks and other financial institutions will not accept the deposit of funds from cannabis-related businesses and will close deposit accounts upon discovery that the account contains such funds. Financial transactions involving proceeds generated by cannabis-related activities can form the basis for prosecution under the U.S. federal anti-money laundering statutes, unlicensed money transmitter statute and the Bank Secrecy Act. The Bank Secrecy Act, enforced by FinCEN, requires our banks and financial institutions with which we do business to file currency transaction reports for currency transactions in excess of $10,000, including identification of the customer by name and social security number, to the IRS. This regulation also requires those banks and financial institutions to file suspicious activity reports with respect to certain suspicious activity, including any transaction that exceeds $5,000 that they know, suspect, or have reason to believe involves funds from illegal activity (including funds from cannabis-related businesses) or is designed to evade U.S. federal regulations or reporting requirements and to verify sources of funds. Substantial penalties can be imposed against those banks and financial institutions if they fail to comply with these laws and regulations. In recent years, anti-money laundering enforcement has included the assessment of money penalties that, in some cases, have been very substantial amounts, the acceptance of responsibility and admission regarding the facts by the company involved, actions focused on individual officers, including compliance officers, of the company involved and seizure and forfeiture of company property and its proceeds. If those banks and financial institutions fail to comply with this regulation and other laws and regulations, FinCEN and other regulatory agencies may impose substantial penalties on those banks and financial institutions.

For the reasons noted above, despite the guidance set forth to banks under the FinCEN memorandum, banks remain hesitant to offer banking services to cannabis-related businesses. Consequently, those businesses involved in the cannabis industry continue to encounter difficulty establishing and maintaining banking relationships. Our inability to maintain our current bank accounts would make it difficult for us to operate our business, increase our operating costs and impose additional operational, logistical and security challenges and could result in our inability to implement our business plan, which could have a material adverse effect on our business, financial condition and results of operations.

We compete for market share with illicit cannabis businesses and other persons engaging in illicit cannabis-related activities, and each such business or other person likely is not adhering to the same laws, regulations, rules and other restrictions that are applicable to us.

We face and expect to continue to face competition from illicit cannabis businesses, which are unlicensed and unregulated and other persons engaging in illicit cannabis-related activities. These illicit cannabis businesses and other persons are cultivating and/or selling cannabis while likely not adhering to the same laws, regulations, rules and other restrictions that are applicable to us. Further, these illicit cannabis businesses and other persons may be able to offer products with higher concentrations of active ingredients than we are authorized to produce and sell, and using delivery methods, including edibles, concentrates and extract vaporizers, that we may be prohibited from offering in certain of the states in which we operate. The competition presented by these illicit cannabis businesses and other persons and the inability or unwillingness of law enforcement authorities to enforce existing laws prohibiting the unlicensed or otherwise illegal cultivation and sale of cannabis could result in the perpetuation of the illegal market for cannabis and/or have a material adverse effect on the perception of cannabis use.

In addition, we must follow certain state regulations to set the retail prices of our cannabis, which regulations are not applicable to illicit cannabis businesses and other persons engaging in illicit cannabis related-activities. In determining the retail prices of our cannabis, we must consider a number of factors, including the price of cannabis in the existing illicit market in the event our prices are too high and the risk of our customers reselling our cannabis in the event our prices are too low. If we do not appropriately set retail prices on our cannabis products, we may have difficulty competing with illicit cannabis businesses and other persons, which may have a material adverse effect on our business.

We may be subject to constraints on marketing our products.

There may be restrictions on sales and marketing activities imposed by government regulatory bodies that can hinder the development of our business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging and labeling regulations also vary from state to state, potentially limiting the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the U.S. limits our ability to compete for market share in a manner similar to other industries. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be adversely affected.

Servicing our debt will require a significant amount of cash, and we may not have sufficient cash flow from our business to pay our debt obligations.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our current and future indebtedness depends our future performance, which is subject to economic, financial, competitive and other factors beyond our control. As of September 30, 2020, we are in default of our obligations pursuant to the Debentures which consists of $97,507,778 and $60,000,000 in principal amount plus accrued interest thereon with respect to the Secured Convertible Notes and Unsecured Convertible Debentures, respectively. There is no assurance that our operations will generate cash flow to service our debt sufficiently, which could have a material adverse effect on our financial condition. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our current and future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

We can provide no assurance that we will obtain regulatory approvals required for us to proceed with the transactions contemplated by the Recapitalization Transaction or that the Recapitalization transaction will be consummated pursuant to the Plan of Arrangement under the BCBCA.

Certain of the transactions contemplated by the Recapitalization Transaction require review and/or approval by regulators in certain U.S. states with jurisdiction over the licensed cannabis operations of entities owned, in whole or in part, or controlled, directly or indirectly, by us. There can be no assurance that such regulatory approval will be obtained where it may be required. If we fail to obtain any required state-level regulatory approval, our ability to implement the Recapitalization Transaction could be limited. In addition, if the Recapitalization Transaction is not consummated pursuant to the Plan of Arrangement under the BCBCA, it may instead be completed through Companies' Creditors Arrangement Act ("CCAA") proceedings, whereby the existing holders of our common shares ("Existing Shareholders") will not be entitled to receive a 2.75% ownership in our common shares (the "Common Shareholder Interest") and the Common Shareholder Interest will instead be allocated equally among the Lenders.

Our operations could be adversely affected by events outside of our control such as natural disasters, wars or health epidemics.

We may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to novel coronavirus known as COVID-19, geopolitical actions, including war and terrorism or natural disasters including earthquakes, hurricanes, floods and fires. 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 our business 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 preventative measures). For example, COVID-19 could result in the temporary closures of one or more of our facilities; temporary or long-term labor shortages; temporary or long-term adverse impacts on our supply chain and distribution channels; the potential of increased network vulnerability and risk of data loss resulting from increased use of remote access and removal of data from our facilities. In addition, COVID-19 could negatively impact capital expenditures and overall economic activity in the impacted regions or depending on the severity, globally, which could impact the demand for our products and services. It is unknown whether and how we may be impacted if the COVID-19 pandemic persists for an extended period of time or if there are increases in breadth or severity of COVID-19, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which we are subject. Furthermore, the COVID-19 pandemic poses a risk we or our employees, contractors, suppliers and other partners may be prevented from conducting business activities for an indefinite period of time. Although we have been deemed essential and/or have been permitted to continue operating our facilities in the states in which we cultivate, process, manufacture and sell cannabis during the pendency of the COVID-19 pandemic, there is no assurance that our operations will continue to be deemed essential and/or will continue to be permitted to operate. For example, both Massachusetts and Nevada halted and restricted adult use cannabis sales, respectively. Although such restrictions have since been lifted, no assurance can be provided that Massachusetts and/or Nevada or other states will not implement the restrictions on the sale of cannabis in the future as a result of COVID-19. As a result, we may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results, financial condition and the trading price of our common shares.

The novel coronavirus (COVID-19) has negatively affected our ability to timely prepare and file our Form 10 and could continue to have a negative impact on our business.

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China. The spread of this virus began to cause some business disruption in our operations beginning in March 2020. As a result of the continued displacement of management and the imposition of restrictions and shelter in place orders by various authorities that affected our non-essential personnel, including our accounting staff, as well as our auditors, we encountered delays with respect to the compilation, dissemination and review of the information required to be presented in this Form 10.

We believe that the restrictions and shelter in place orders resulting from COVID-19 have negatively affected our ability to timely meet our reporting obligations, and could continue to do so for the foreseeable future. Further, there is considerable uncertainty around the duration that this pandemic will continue to have an effect. The extent to which COVID-19 impacts our financial reporting, business, sales and results of operations will depend on future developments, which are highly uncertain and cannot be predicted. Furthermore, our failure to timely file this Form 10 could result in monetary fines. Although we believe that monetary fines are unlikely, no assurance can be given that the U.S. Securities and Exchange Commission (“SEC”) will not fine us or take any other action against us for failing to file our Form 10 on time.

Certain events or developments in the cannabis industry more generally may affect our business.

Cannabis is illegal under U.S. federal law and there is limited scientific evidence to verify the medical or therapeutic benefits associated with cannabis; any such evidence remains mostly anecdotal. In addition, there is no clear scientific evidence to suggest whether cannabis consumption can result in long-term health effects or any adverse public health consequences. Further, the cannabis industry has commonly been associated with certain criminal activities, including organized crime. The actual or perceived occurrence of any number of events, including publication of any negative scientific research or the actions and/or wrongdoing of other businesses and individuals in the cannabis industry, may negatively affect the reputation of the industry as a whole, and may cause potential investors to no longer invest in our securities or the cannabis industry in general.

We ultimately do not have control over how the cannabis industry, or our business is perceived by others. Any reputational issues may result in decreased investor confidence, increased challenges in developing and maintaining community relations and present an impediment to our overall ability to advance our business strategy and realize our growth prospects.

Cannabis pricing and supply regulation may adversely affect our business.

Certain states require cannabis dispensaries to submit cannabis pricing for licensing approval in order to ensure that the cost of cannabis in the regulated market is neither too high, which among other things may encourage the purchase of cannabis from illicit cannabis business, or too low, which among other things may increase the risk of legally purchased cannabis being resold illicitly. Additionally, certain states regulate the operations of cultivators to address oversupply of local markets. Our ability to adjust sale prices at our dispensaries or production volumes at our cultivation facilities may be affected by such pricing and supply regulations, which could have a material adverse impact on our ability to adapt to local market conditions.

High state and local excise and other taxes on cannabis products and compliance costs may adversely affect our business.

Certain states impose significant excise taxes on products sold at licensed cannabis dispensaries, which taxes in some states exceed 15%. Local jurisdictions typically impose additional taxes on cannabis products. Furthermore, we incur significant costs complying with state and local laws and regulations. Collectively, federal, state and local taxes may place a substantial burden on our revenue which could have a material adverse effect on our business.

Litigation, complaints, enforcement actions and governmental inquiries could have a material adverse effect on our business, financial condition and results of operations.

We (directly or through our subsidiaries) have been named as a defendant in several legal actions and are subject to various risks and contingencies arising in the normal course of business. Furthermore, our participation in the cannabis industry may lead to further litigation, formal or informal complaints, enforcement actions and governmental inquiries. Litigation, complaints, enforcement actions and governmental inquiries could consume considerable amounts of our financial and other resources, which could have a material adverse effect on our sales, revenue, profitability and growth prospects. Our subsidiaries are presently engaged in the lawful cultivation, processing and sale of cannabis under state law in the jurisdictions in which they operate, and we, and our subsidiaries, have not been, and are not currently subject to, any material litigation, complaint, or enforcement action regarding cannabis (or otherwise) brought by any governmental authority.

Litigation, complaints, enforcement actions and governmental inquiries could result from cannabis-related activities in violation of federal law, including, but not limited to, the Racketeer Influenced Corrupt Organizations Act ("RICO"). Among other things, RICO authorizes private parties whose properties or businesses are harmed by such patterns of racketeering activity to initiate a civil action against the individuals involved. A number of RICO lawsuits have been brought by neighbors of state licensed cannabis farms who allege they are bothered by noise and odor associated with cannabis production, which has also led to decreased property values. By alleging that the smell of cannabis interferes with the enjoyment of their property and drives down their property value, plaintiffs in these cases have effectively elevated common law nuisance claims into federal RICO lawsuits. These lawsuits have named not only the cannabis operator, but also supply chain partners and vendors that do not directly handle or otherwise "touch" cannabis.

Further, from time to time in the normal course of our business operations, we or any of our subsidiaries may become subject to litigation, complaints, enforcement actions and governmental inquiries that may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend such litigation, complaints, actions, or inquiries may be significant and may require a diversion of our resources, including the attention of our management. There also may be adverse publicity associated with such litigation, complaints, actions, or inquiries that could negatively affect customer perception our business, regardless of whether the allegations are valid or whether we are ultimately found liable. Insurance may not be sufficient or available to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims could have a material adverse effect on our business, financial condition and results of operations.

We currently have insurance coverage protecting many but not all of our assets and operations. Our insurance coverage is subject to coverage limits and exclusions and may not be available for the risks and hazards to which we are exposed. In addition, no assurance can be given that such insurance will be adequate to cover our liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If we were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, we may be exposed to material uninsured liabilities that could impede our liquidity, profitability, or solvency.

The resignation of Hadley Ford as our Chief Executive Officer could have a material adverse impact on our business.

Our Board of Directors formed the Special Committee for the purpose of overseeing the investigation into alleged misconduct by Hadley Ford. Based on the findings of the investigation, Mr. Ford resigned from his positions as our Chief Executive Officer and a member of our Board of Directors. There can be no assurance that Mr. Ford's resignation and any transition in management arising from his resignation will not have a material adverse impact on our business or our ability to hire and retain employees and executive officers. In addition, as a result of the findings of the investigation, we may incur liability as a result of litigation and regulatory investigations, which could have a material adverse impact on our business.

We lack access to U.S. bankruptcy protections.

Many courts have denied cannabis businesses bankruptcy protections because the use of cannabis is illegal under federal law. If we were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to us, which would have a material adverse effect on us.

We may face difficulties in enforcing our contracts.

Because our contracts involve cannabis and other activities that are not legal under federal law and in some state jurisdictions, we may face difficulties in enforcing our contracts in federal courts and certain state courts. We cannot be assured that we will have a remedy for breach of contract, which could have a material adverse effect on us.

We may be subject to product liability claims and product recalls.

As a manufacturer and distributor of products designed to be ingested by humans, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis and CBD products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination, which may affect consumer confidence in our cannabis and/or CBD products. Previously unknown adverse reactions resulting from human consumption of cannabis and CBD products alone or in combination with other medications or substances could occur. We may be subject to various product liability claims, including inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us could result in increased costs, adversely affect our reputation with our clients and consumers generally and have a material adverse effect on our business, financial condition and results of operations.

While we maintain product liability insurance, there can be no assurances that we will be able to maintain this or other product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of our products.

In addition, manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If one or more of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin, or at all. In addition, a product recall may require significant attention from our management. Although we have detailed procedures in place for testing finished products, there can be no assurance that any quality, potency, or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action, or lawsuits.

Additionally, if one or more of our products were subject to recall, the reputation of that product and our reputation could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for our products and could have a material adverse effect on our business, financial condition and results of operations. Additionally, product recalls may lead to increased scrutiny of our operations by regulatory agencies in the jurisdictions in which we operate, requiring further attention from our management and potential legal fees and other expenses. Furthermore, any product recall affecting the cannabis or CBD industry more broadly could lead consumers to lose confidence in the safety of the products, which could have a material adverse effect on our business, financial condition and results of operations.

Third parties with whom we do business may perceive themselves as being exposed to reputational risk because of their relationship with us due to our cannabis-related business activities and may as a result, refuse to do business with us.

The third parties with whom we do business may perceive that they are exposed to reputational risk because of our cannabis-related business activities. Any third-party service provider could suspend or withdraw its services if it perceives that the potential risks exceed the potential benefits of providing such services to us. Specifically, while we have banking relationships and believe that the services can be procured from other institutions, we may, in the future, have difficulty maintaining existing or securing new bank accounts or clearing services. Our failure to establish or maintain business relationships could have a material adverse effect on our business, financial condition and results of operations.

We may become subject to liability arising from fraudulent or illegal activity by our employees, independent contractors and consultants.

We are exposed to the risk that our employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities that violates manufacturing standards and government regulations and laws including regulations with respect to healthcare fraud, abuse laws and regulations or laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for us to identify and deter misconduct by our employees and other third parties. The precautions we take to detect and prevent such misconduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending such actions, such actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations, any of which could have a material adverse effect on our business, financial condition and results of operations.

Some of our lines of business rely on our third-party service providers to host and deliver services and data and any interruptions or delays in these hosted services, security or privacy breaches, or failures in data collection could expose us to liability and harm our business and reputation.

Some of our lines of business and services rely on services hosted and controlled directly by third-party service providers. We do not have redundancy for all of our systems, many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities. If our business relationship with a third-party provider of hosting or software services is negatively affected, if one of our service providers were to terminate its agreement with us, or if there was a security or privacy breach related to one of our third-party service providers, we may not be able to access to our data or our data may be compromised which could subject us to reputational harm and cause us to lose customers and future business, thereby reducing our revenue.

We may experience breaches of security at our facilities or in respect of electronic documents and data storage and may face risks related to breaches of applicable privacy laws.

Given the nature of our cannabis products and the limited legal channels for distribution as well as the concentration of inventory in our facilities, we are subject to the risk of theft of our products and other security breaches. A security breach at one of our facilities could result in a significant loss of available products, expose us to liability under applicable regulations and to potentially costly litigation, or increase expenses relating to the resolution and future prevention of similar thefts, any of which could have an adverse effect on our business, financial condition and results of operations.

In addition, we may collect and store personal information about our customers, and we are responsible for protecting that information from privacy breaches. A security incident at our facilities may compromise the confidentiality, integrity, or availability of customer data. Unauthorized access to customer data stored on our computers or networks may be obtained through break-ins, breaches of our secure network by an unauthorized party, employee theft or misuse, or other misconduct. Unauthorized access to customer data may be obtained through inadequate use of security controls by customers. Accounts created with weak passwords could allow cyber-attackers to gain access to customer data. If there were an inadvertent disclosure of customer information or if a third party were to gain unauthorized access to the information we possess on behalf of our customers, our operations could be disrupted, our reputation could be damaged, and we could be subject to claims or other liabilities, including liability from federal and state governmental agencies. In addition, such perceived or actual unauthorized disclosure of the information we collect or breach of our security could damage our reputation, result in the loss of customers and have a material adverse effect on our business, financial condition and results of operations.

We collect and manage a large amount of data using our hosted solutions. As a result, it is possible that hardware or software failures or errors in our systems (or those of our third-party service providers) could result in data loss or corruption, cause the information that we collect to be incomplete or contain inaccuracies that our customers regard as significant, or cause us to fail to meet committed service levels. Furthermore, our ability to collect and report data may be delayed or interrupted by a number of factors, including access to the Internet, the failure of our network or software systems, or security breaches. In addition, computer viruses or other malware (including ransomware) may harm our systems, causing us to lose data or incur additional costs to retrieve corrupted or encrypted data, and the transmission of computer viruses or other malware could expose us to litigation. We may also find, on occasion, that we cannot deliver data and reports in near real time because of a number of factors, including failures of our network or software. If we supply inaccurate information or experience interruptions in our ability to capture, store and supply information in near real time, or at all, our reputation could be harmed, we could lose customers and/or we could be found liable for damages or incur other losses.

In addition, there are a number of laws protecting the confidentiality of certain of our customers' health information, including health records, and restricting the use and disclosure of that protected information. In the United States, under the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the HIPAA Privacy and Security Rules, 45 C.F.R. Parts 160 and 164, as amended by Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act ("ARRA") (Pub. L. 111-5) also known as the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") and the HITECH Act Final Rule published January 25, 2013 ("HITECH Act Final Rule"), the U.S. Department of Health and Human Services has issued regulations which establish uniform standards governing the conduct of certain electronic health care transactions and protecting the privacy and security of Protected Health Information ("PHI") and electronic PHI ("ePHI") used or disclosed by health care providers and other covered entities. HIPAA Privacy and Security Rules establish a minimum standard for healthcare privacy and security in the United States and do not preempt state privacy, security and confidentiality laws that are more stringent or that provide individuals with greater rights with respect to the privacy or security of and access to their records containing PHI or ePHI. If we are found to be subject to and in violation of the HIPAA Privacy and Security Rules or other state laws protecting the confidentiality of our customers' health information, we could be subject to sanctions, civil or criminal penalties and a corrective action plan which could increase our liabilities, harm our reputation and have a material adverse effect on our business, financial condition and results of operations. Other jurisdictions in which we may expand our operations may also have similar privacy and security laws to which we are subject, depending on the nature of our operations in such jurisdictions.

We may be subject to risks related to the protection and enforcement of our intellectual property rights, and third parties may enforce their intellectual property rights against us.

The ownership and protection of our intellectual property rights is a significant aspect of our future success. Currently, we rely on trade secrets, trademarks, service marks, copyrights, technical know-how and other proprietary information (collectively, "Intellectual Property") to maintain our competitive position. We try to protect our Intellectual Property by seeking and obtaining registered protection where possible, developing and implementing standard operating procedures to protect Intellectual Property and entering into agreements with parties that have access to our Intellectual Property, such as our partners, collaborators, employees and consultants, to protect confidentiality and ownership. We also seek to preserve the integrity and confidentiality of our Intellectual Property by maintaining physical security of our premises and physical and electronic security of our information technology systems.

It is possible that we may fail to identify Intellectual Property, fail to protect or enforce our Intellectual Property, inadvertently disclose such Intellectual Property or fail to register rights in relation to such Intellectual Property.

In relation to our agreements with parties that have access to our Intellectual Property, any of these parties may breach those agreements, and we may not have adequate remedies for any specific breach. In relation to our security measures, such security measures may be breached, and we may not have adequate remedies for any such breach. In addition, certain of our Intellectual Property, which has not yet been applied for or registered, may otherwise become known to or be independently developed by competitors or may already be the subject of applications for intellectual property registrations filed by our competitors, which could have a material adverse effect on our business, financial condition and results of operations.

We cannot provide any assurance that our Intellectual Property will not be disclosed in violation of agreements or that competitors will not otherwise gain access to our Intellectual Property or independently develop and file applications for intellectual property rights that adversely affect our Intellectual Property rights. Unauthorized parties may attempt to copy, reverse engineer, or otherwise obtain and use our Intellectual Property. Identifying and policing the unauthorized use of our current or future Intellectual Property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. We may be unable to effectively monitor and evaluate the products being distributed by our competitors, including unlicensed dispensaries, and the processes used to produce such products. Additionally, if the steps taken to identify and protect our Intellectual Property rights are deemed inadequate, we may have insufficient recourse against third parties for enforcement of our Intellectual Property rights.

Furthermore, the laws and positions of intellectual property offices administering such laws and regulations regarding intellectual property rights with respect to cannabis and services and products relating to cannabis are constantly evolving and there is uncertainty regarding whether the laws or regulations of other countries prohibit the filing, prosecution and issuance of applications for intellectual property registrations with respect to cannabis or services or products relating to cannabis and whether the laws or regulations of other countries prohibit the enforcement of rights under intellectual property registrations with respect to cannabis or services or products relating to cannabis. For example, our ability to obtain registered trademark protection with respect to cannabis and services and products related to cannabis may be limited in certain countries, such as the United States, where registered trademark protections are currently unavailable with the U.S. Patent and Trademark Office for trademarks covering cannabis or cannabis-based products in light of the CSA. Additionally, the USPTO promulgated Examination Guide 1-19, which provides, among other things, that trademarks for food products, beverage products, dietary supplement products, or pet treat products containing hemp derived CBD can be rejected by the USPTO on the basis that the sale of such products in interstate commerce allegedly violates FDA law. Accordingly, our ability to obtain intellectual property rights or enforce intellectual property rights against third-party uses of similar trademarks may be limited in certain countries. Moreover, in any infringement proceeding, some or all of our Intellectual Property rights or arrangements or agreements seeking to protect the same for our benefit may be found invalid, unenforceable, or anti-competitive. An adverse result in any litigation or defense proceedings could put one or more of our Intellectual Property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could have a material adverse effect on our business, financial condition and results of operations.

Additionally, other parties may claim that our products or services infringe on their proprietary rights or other intellectual property rights. Third parties may claim that our use of our trademarks infringes upon their trademark rights. Parties making claims against us may obtain injunctive or other equitable relief, which may have an adverse impact on our business. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. In addition, we may need to obtain licenses from third parties who allege that we have infringed on their lawful rights. However, such licenses may not be available on terms acceptable to us, if at all. In addition, we may not be able to obtain licenses on terms that are favorable to us, or at all, or other rights with respect to intellectual property that we do not own.

We have limited trademark protection.

We will not be able to register any federal trademarks for our cannabis products. Because producing, manufacturing, processing, possessing, distributing, selling and using cannabis is a crime under the CSA, the USPTO will not permit the registration of any trademark that identifies cannabis products. As a result, we likely will be unable to protect our cannabis product trademarks beyond the geographic areas in which we conduct business. The use of our trademarks outside the states in which we operate by one or more other persons could have a material adverse effect on the value of such trademarks.

Conflicts of interest may arise between us and our directors and officers.

We may be subject to various potential conflicts of interest because of the fact that some of our directors and officers may be engaged in a range of business activities. In addition, our executive officers and directors may devote time to their outside business interests so long as such activities do not materially or adversely interfere with their duties to us. In some cases, our directors and executive officers may have fiduciary obligations associated with those business interests that interfere with their ability to devote time to our business and affairs and that could have a material adverse effect on our business, financial condition and results of operations. These business interests could require significant time and attention of our directors and executive officers.

In addition, we may also become involved in other transactions, which conflict with the interests of our directors and officers who may from time to time deal with persons, firms, institutions, or corporations with which we may be dealing or may be seeking investments similar to those desired by us. The interests of these persons could conflict with our interests, and these persons may be competing with us for available investment opportunities.

The requirements of being a public company may strain our resources, result in more litigation and divert the attention of our management.

As a public company, we are subject to the reporting requirements of applicable securities rules and regulations of Canadian securities regulators and other requirements in Canada. Complying with these rules and regulations increases our legal and financial compliance costs, makes some activities more difficult, time-consuming and costly, and increases demand on our systems and resources.

In addition, upon effectiveness of this registration statement on Form 10, we will become a public reporting company in the United States. The obligations of being a public company in the United States require significant expenditures and will place significant demands on our management and other personnel, including costs resulting from public company reporting obligations under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations regarding corporate governance practices, including those under the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules require the establishment and maintenance of effective disclosure and financial controls and procedures and internal control over financial reporting among many other complex rules that are often difficult to implement, monitor and maintain compliance with. Moreover, despite recent reforms made possible by the Jumpstart Our Business Startups Act of 2012, the reporting requirements, rules and regulations will make some activities more time-consuming and costly, particularly after we are no longer deemed an "emerging growth company" or "smaller reporting company." In addition, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. Our management and other personnel will need to devote a substantial amount of time to ensure that we comply with all of these requirements and to keep pace with new regulations, otherwise we may fall out of compliance and risk becoming subject to litigation, among other potential problems. Compliance with these rules and regulations could also make it more difficult for us to attract and retain qualified members of our Board of Directors.

If we fail to comply with the rules under Sarbanes-Oxley Act related to accounting controls and procedures in the future, or, if we discover material weaknesses and other deficiencies in our internal control and accounting procedures, our stock price could decline significantly and raising capital could be more difficult.

Section 404 of Sarbanes-Oxley Act requires annual management assessments of the effectiveness of our internal controls over financial reporting. If we fail to comply with the rules under Sarbanes-Oxley Act related to disclosure controls and procedures in the future, or, if we discover material weaknesses and other deficiencies in our internal controls and accounting procedures, our stock price could decline significantly and raising capital could be more difficult. If material weaknesses or significant deficiencies are discovered or if we otherwise fail to achieve and maintain the adequacy of our internal controls, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of Sarbanes-Oxley Act. Moreover, effective internal controls are necessary for us to produce reliable financial reports and are important to helping prevent financial fraud. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock could drop significantly.

Risk Factors Related to Government Regulations

The cannabis industry is highly regulated, and we may not always succeed in fully complying with applicable regulatory requirements in all jurisdictions where we operate.

Our cannabis-related business and activities and those of our subsidiaries are heavily regulated in all jurisdictions where we operate. Our operations are subject to various laws, regulations and guidelines by governmental authorities, both in the United States and Canada, relating to, among other things, the manufacture, marketing and sale of cannabis, as well as laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over business activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on such businesses' products.

Achievement of our business objectives is contingent, in part, upon our compliance with regulatory requirements enacted by these governmental authorities and obtaining all necessary licenses, permits, authorizations, or accreditations for our cultivation, production and dispensary operations. We may not be able to obtain such approvals or may be able to do so only at a significant expense. The commercial cannabis industry is still a new industry in Canada and is an emerging industry in the United States. The effect of relevant governmental authorities' administration, application and enforcement of their respective regulatory regimes and delays in or our failure to obtain the necessary licenses, permits, authorizations, or accreditations to conduct our business may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business, financial condition and results of operations.

While we endeavor to comply with all relevant laws, regulations and guidelines with respect to our cannabis-related business and, to our knowledge, we are in compliance or are in the process of being assessed for compliance with all such laws, regulations and guidelines, any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including, but are not limited to, the revocation or imposition of additional conditions on licenses to operate our business, the suspension or expulsion from a particular market or jurisdiction or of our key personnel, the imposition of additional or more stringent inspection, testing and reporting requirements and the imposition of fines and censures.

In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or give rise to material liabilities or a revocation of our licenses and other permits, which could have a material adverse effect on our business, financial condition and results of operations. For example, new legislation or regulations may be introduced at either the federal and/or state level which, if passed, could impose substantial new regulatory requirements on the manufacture, packaging, labeling, advertising and distribution and sale of hemp-derived products. New legislation or regulations may also require the reformulation, elimination or relabeling of certain products to meet new standards and revisions to certain sales and marketing materials, and it is possible that the costs of complying with these new regulatory requirements could be material. Furthermore, governmental authorities may change their administration, application, or enforcement procedures at any time, which may adversely affect our costs relating to regulatory compliance.

Failure to comply with these laws and regulations could subject us to regulatory or agency proceedings, investigations, or audits and could lead to damage awards, fines and penalties. We may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits and other contingencies could harm our reputation, require us to take or refrain from taking actions that could harm our operations, or require us to pay substantial amounts of money, harming our financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on our business, financial condition and results of operations. Furthermore, if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be adversely affected.

Our business activities and the business activities of our subsidiaries, while believed to be compliant with applicable U.S. state and local laws, currently are illegal under U.S. federal law.

While certain states in the U.S. have legalized "medical cannabis," "adult use cannabis" or both, medical and adult-use cannabis remains illegal under federal law. The CSA, classifies "marijuana" as a Schedule I drug. As such, cannabis-related business activities, including without limitation, the cultivation, manufacture, importation, possession, use, or distribution of cannabis, remains illegal under U.S. federal law. Individual state laws do not always conform to U.S. federal law or the laws of other states, and there are a number of variations in the laws and regulations of the various states in which we operate. Although we believe our business activities and those of our subsidiaries are compliant with the laws and regulations of the states in which we and our subsidiaries operate, strict compliance with state and local laws with respect to cannabis neither absolves us of liability under U.S. federal law, nor provides a defense to any proceeding that may be brought against us under U.S. federal law. Any proceeding that may be brought against us could have a material adverse effect on our business, financial condition and results of operations. Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions, or settlements, arising from either civil or criminal proceedings brought by either the U.S. federal government or private citizens, including, but not limited to, property or product seizures, disgorgement of profits, cessation of business activities, or divestiture. Such fines, penalties, administrative sanctions, convictions, or settlements could have a material adverse effect on, among other things:

- our reputation and our ability to conduct business;
- our ability to obtain and/or maintain cannabis licenses, whether directly or indirectly, in the United States;
- the listing of our securities on various stock exchanges;
- our financial position, operating results, profitability, or liquidity; and
- the market price of our securities.

If we are not able to comply with all safety, security, health and environmental regulations applicable to our operations and industry, we may be held liable for any breaches thereof.

Safety, security, health and environmental laws and regulations affect nearly all aspects of our operations, including product development, working conditions, waste disposal, emission controls, the maintenance of air and water quality standards and land reclamation. Security protocols with respect to our facilities and the transportation of cannabis and with respect to environmental laws and regulations impose limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Compliance with safety, security, health and environmental laws and regulations can require significant expenditures and failure to comply with such laws and regulations may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, the imposition of clean-up costs resulting from contaminated properties, the imposition of damages and/or the loss of or refusal of governmental authorities to issue us permits or licenses. Exposure to these liabilities may arise in connection with our existing operations, our historical operations and operations that we may undertake in the future. We may also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurance that we will remain in compliance with all safety, security, health and environmental laws and regulations notwithstanding our attempts to comply with such laws and regulations.

Changes in applicable safety, security, health and environmental standards may impose stricter standards and enforcement, increased fines and penalties for non-compliance and a heightened degree of responsibility for companies and their officers, directors and employees. We are not able to determine the specific impact that future changes in safety, security, health and environmental laws and regulations may have on our industry, operations and/or activities and our resulting financial position. However, we anticipate that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent safety, security, health and environmental laws and regulations. Further changes in such laws and regulations, new information on existing safety, security, health and environmental conditions or other events, including legal proceedings based upon such conditions or an inability to obtain necessary permits in relation thereto may require increased compliance expenditures by us.

There is uncertainty surrounding the policies of President Donald Trump and the Trump administration and their ability to influence policies in opposition to the cannabis industry as a whole.

There is uncertainty surrounding the policies of President Donald Trump and the Trump administration regarding the medical or adult use of cannabis. In an effort to provide guidance to U.S. federal law enforcement, under former President Barack Obama, the DOJ released the Cole Memorandum which sought to limit the use of the U.S. federal government's prosecutorial resources by providing U.S. Attorneys with the following Cole Priorities on which to focus their attention in states that have established cannabis programs with regulatory enforcement systems:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
- Preventing marijuana possession or use on U.S. federal property.

U.S. Attorneys were required to adhere to the Cole Priorities until the rescission of the Cole Memorandum in January 2018.

On January 4, 2018, former Attorney General Sessions rescinded the Cole Memorandum. While this did not create a change in U.S. federal law, as the Cole Memorandum was policy guidance and not law, the revocation removed the DOJ's guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum's guidelines should not be a prosecutorial priority. Accordingly, the rescission added to the uncertainty of U.S. federal enforcement of the CSA in states where cannabis use is regulated. Pursuant to his rescission of the Cole Memorandum, former Attorney General Sessions also issued the Sessions Memorandum which confirmed the rescission of the Cole Memorandum. According to the Sessions Memorandum, the Cole Memorandum was "unnecessary" due to existing general enforcement guidance adopted in the 1980s, as set forth in the USAM. The USAM enforcement priorities, like those of the Cole Memorandum, are also based on the U.S. federal government's limited resources and include law enforcement priorities set by the Attorney General, the seriousness of the alleged crimes, the deterrent effect of criminal prosecution and the cumulative impact of particular crimes on the community.

As of the date of hereof, although the DOJ under Attorney General William Barr has not taken a formal position on the federal enforcement of laws relating to cannabis, Attorney General William Barr stated that his preference would be to have a uniform federal rule against cannabis, but, absent such a uniform rule, his preference would be to permit the existing federal approach leaving it up to the states to make their own decisions.

Furthermore, the United States House of Representatives passed the Rohrabacher–Farr Amendment which funds the DOJ. Under the Rohrabacher–Farr Amendment, the DOJ is prohibited from using federal funds to prevent states "from implementing their own State laws that authorize the use, distribution, possession, or cultivation of medical marijuana." In particular, this amendment only prohibits the use of federal funds to prosecute individuals and businesses operating cannabis companies in compliance with state laws regulating the medical use of cannabis and does not apply to adult use cannabis operations. The Rohrabacher–Farr Amendment must be renewed each federal fiscal year and was subsequently renewed by Congress through September 30, 2020. However, there can be no assurance that Congress will continue to renew the Rohrabacher–Farr Amendment in the future. If the Rohrabacher–Farr Amendment is not renewed, the DOJ and other U.S. federal agencies may utilize U.S. federal funds to enforce the CSA in states with a medical cannabis program, including states in which our subsidiaries operate, which could have a material adverse effect on our expansion strategy, business, financial condition and results of operations. On June 20, 2019, the U.S. House of Representatives passed the Blumenauer-Norton-McClintock Amendment, which would expand the protections afforded by the Rohrabacher-Farr amendment to individuals and businesses operating in compliance with applicable state adult-use cannabis laws. The U.S. Senate did not include the Blumenauer-McClintock-Norton Amendment in its appropriations bill, and ultimately, the Blumenauer-McClintock-Norton Amendment was not passed into law. On July 30, 2020, the U.S. House of Representatives again voted to include the Blumenauer-Norton-McClintock Amendment in its Commerce, Justice, Science, and Related Agencies Appropriations Act, 2021. However, it is unclear whether the U.S. Senate will include the Blumenauer-McClintock-Norton Amendment in its version of the appropriations bill and whether it will ultimately be included in appropriations legislation for 2021.

Enforcement of U.S. federal laws with respect to cannabis, including cannabis products, remains uncertain. If the Trump administration and U.S. federal agencies adopt a policy of stricter enforcement of the CSA, it could have a material adverse effect on our business, financial condition and results of operations.

Our investments in the United States are subject to applicable anti-money laundering laws and regulations in the United States and Canada.

All of our subsidiaries are located in the United States. Therefore, we are subject to a variety of laws and regulations in the United States and Canada that involve money laundering, financial recordkeeping and proceeds of crime. Such laws and regulations may include the Bank Secrecy Act, as amended by Title III of the US PATRIOT Act in the United States, and the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, as amended, in Canada. If any of our investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States are found to be in violation of anti-money laundering laws or otherwise, such transactions may be viewed as proceeds of crime, including under one or more of the statutes discussed above. Any property, real or personal and its proceeds, involved in or traceable to such a crime is subject to seizure by and forfeiture to governmental authorities. Any such seizure, forfeiture or other action by law enforcement with respect our assets could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada and could have a material adverse effect on our business, financial condition and results of operations.

Our investments in the United States may be subject to heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States.

Our existing investments in the United States and any future investments in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States. As a result, we may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on our ability to invest in the United States or any other jurisdiction, in addition to those described herein.

Following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, TMX Group Limited announced the signing of a Memorandum of Understanding (the "TMX MOU"), with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and Clearing and Depository Services Inc. ("CDS"), relating to issuers with cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no assurance that this approach to regulation will continue in the future. Any implementation by CDS of a ban on the clearing of securities of issuers with cannabis-related activities in the United States would have a material adverse effect on the ability of holders of our common shares to make and settle trades. In particular, our common shares likely would become highly illiquid, and until an alternative stock exchange became available or the ban were lifted, investors would have no ability to effect a trade of our common shares through the facilities of a stock exchange. We have obtained eligibility with the Depository Trust Company ("DTC") for our common shares quotation on the OTC Markets and such eligibility provides another possible avenue to clear our common shares in the event of a CDS ban. Revocation of DTC eligibility or implementation by DTC of a ban on the clearing of securities of issuers with cannabis-related activities in the United States would similarly have a material adverse effect on the ability of holders of our common shares to make and settle trades.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States, or elsewhere. A negative shift in the public's perception of the medical or adult use of cannabis could affect future legislation or regulation in Canada, the United States, or elsewhere. Among other things, such a shift could cause such jurisdictions to abandon initiatives or proposals to legalize cannabis or reverse existing legislation that legalized cannabis in some respect. A shift by any such jurisdiction could limit the number of new jurisdictions into which we could expand or reduce the jurisdictions in which we operate, either of which could have a material adverse effect on our expansion strategy, business, financial condition and results of operations.

U.S. border officers could deny entry into the United States to non-U.S. citizens who are employees of or investors in companies with cannabis operations in the United States or Canada.

As cannabis remains illegal under U.S. federal law, those non-U.S. citizens who are employed at or investing in legal and licensed Canadian cannabis companies could face detention, denial of entry, or lifetime bans from the United States for their business associations with U.S. or Canadian cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection (the "USCBP") officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. As a result, the Canadian government has started warning travelers that previous use of cannabis or any substance prohibited by U.S. federal laws could mean denial of entry to the United States. In addition, business or financial involvement in the legal cannabis industry in Canada or in the United States could also be a reason for USCBP officers to deny entry in the United States. In reaction to the then-impending legalization of cannabis in Canada, the USCBP released a statement outlining its current position with respect to enforcement of U.S. federal laws. The statement specified that Canada's legalization of cannabis would not change the USCBP's enforcement of U.S. federal laws regarding controlled substances, and because cannabis continues to be a controlled substance under the CSA, working in or facilitating the proliferation of the cannabis industry in states or Canada where cannabis is legal may affect admissibility to the United States. Although, the USCBP has affirmed that Canadian citizens "working in or facilitating the proliferation of the legal cannabis industry in Canada, coming to the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.," if Canadian citizens, or any other travelers, are "found to be coming to the U.S. for reason related to the cannabis industry, they may be deemed inadmissible" and risk being barred from entry into the United States.

Certain of our directors, officers and employees are Canadian citizens and may be subject to denials or bans from entry into the United States by USCBP officers due to their service or employment by us. In the event that any such directors, officers, or employees are hindered or otherwise prevented from entering the U.S., either in one instance or permanently, their ability to provide services to us could be materially hindered, which could have a material adverse effect on our business. In addition, our ability to attract qualified candidates may be diminished by the prospect of a denial or ban from entry into the United States, which could have a material adverse effect on our business.

State regulatory agencies may require us to post bonds or significant fees.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the business or industry of legal marijuana to post a bond or significant fees when applying, for example, for a dispensary license or renewal as a guarantee of payment of sales and franchise taxes. We are not able to quantify at this time the potential scope of such bonds or fees in the states in which it currently operates or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of our business.

State regulation of cannabis is uncertain.

There is no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, our business or operations in those states or under those laws would be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect our business.

The rulemaking process at the state level that applies to cannabis operators in any state will be ongoing and result in frequent changes. Regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. No assurance can be given that we will receive the requisite licenses, permits or cards to continue operating our businesses. In addition, local laws and ordinances could restrict our business activity. Land use, zoning, local ordinances and similar laws could be adopted or changed and have a material adverse effect on our business.

Risk Factors Related to Our Securities

The market price of our common shares is volatile and may not accurately reflect the long term value of our Company.

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of our common shares to sell their securities at an advantageous price. Market price fluctuations in our common shares may be due to our operating results, failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions, or other material public announcements by us or our competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of our common shares. Financial markets have historically, at times, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values, or prospects of such companies.

Accordingly, the market price of our common shares may decline even if our operating results, underlying asset values, or prospects have not changed. Additionally, these factors as well as other related factors may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in the price and volume of our common shares will not occur. If such increased levels of volatility and market turmoil continue, our operations could be adversely impacted and the trading price of our common shares may be materially adversely affected.

There is no assurance that an investment in our common shares will earn any positive return.

There is no assurance that an investment in our common shares will earn any positive return. An investment in our common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in our common shares is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

We have never paid dividends in the past and do not expect to declare or pay dividends in the foreseeable future.

We have never paid dividends in the past and do not expect to declare or pay dividends on our common shares in the foreseeable future, as we anticipate that we will invest future earnings in the development and growth of our business. Should we declare and pay dividends on our common shares in the future, there may be significant tax implications to holders of our common shares who are recipients of such dividends. For example, as discussed above, we are a Canadian corporation and are classified as a U.S. domestic corporation for U.S. federal income tax purposes under the Section 7874(b) "inversion" rules of the U.S. Tax Code. As such, dividends received by shareholders who are residents of Canada for purposes of the Canadian Tax Act will generally be subject to a 30 percent U.S. withholding tax. In addition, any such dividends may not qualify for a reduced rate of withholding tax under the U.S.-Canada Treaty, and Canadian foreign tax credits may not be available under the Canadian Tax Act in respect of such taxes. Further, any dividends received by shareholders resident in the United States will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax under the Canadian Tax Act. In the event that we pay any dividends, such dividends will be characterized as U.S. source income for purposes of the foreign tax credit rules under the U.S. Tax Code. Accordingly, shareholders resident in the United States generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, such shareholders have an excess foreign tax credit limitation.

Our common shares are subject to the "penny stock" rules of the SEC and the trading market in the securities is limited, which makes transactions in the stock cumbersome and may reduce the value of an investment in the stock.

Rule 15g-9 under the Exchange Act establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require: (a) that a broker or dealer approve a person's account for transactions in penny stocks; and (b) the broker or dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must: (a) obtain financial information and investment experience objectives of the person and (b) make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form: (a) sets forth the basis on which the broker or dealer made the suitability determination; and (b) confirms that the broker or dealer received a signed, written agreement from the investor prior to the transaction. Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common shares and cause a decline in the market value of our common shares.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker or dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

There is a limited market for our common shares.

Our common shares are listed for trading on the CSE and are quoted over-the-counter in the United States on the OTC Pink Tier of the OTC Markets Group, Inc. The over-the-counter markets provide less liquidity than U.S. national securities exchanges, such as the New York Stock Exchange or Nasdaq. Accordingly, a market for our common shares may become highly illiquid and holders of our common shares may be unable to sell or otherwise dispose of their common shares at desirable prices or at all.

Outstanding and future issuances of debt securities, which would rank senior to our common shares upon bankruptcy or liquidation, may adversely affect the level of return holders of common shares may be able to receive.

As of the date hereof, we have Secured Convertible Notes and Unsecured Convertible Debentures outstanding. In the future, we may increase our capital resources by offering additional debt securities. Upon bankruptcy or liquidation, holders of our debt securities and lenders would receive distributions of our available assets prior to any distributions being made to holders our common shares. As our decision to issue debt securities or borrow money from lenders will depend in part on market conditions, we cannot predict or estimate the amount, timing, or nature of any such future offerings or borrowings. Holders of our common shares must bear the risk that current and future securities including the issuance of debt securities may adversely affect the level of return, if any, that the holders of our common shares may receive.

ITEM 2. FINANCIAL INFORMATION.

Cautionary Note Regarding Forward-Looking Information

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated historical financial statements and the related notes appearing elsewhere in this Registration Statement on Form 10. The following discussion should also be read in conjunction with the other information relating to our business contained in this Registration Statement on Form 10, including Item 1A "Risk Factors."

The historical financial information has been prepared in accordance with US GAAP. All dollar figures in this management's discussion and analysis of financial condition and results of operations ("MD&A") are presented in United States dollars unless otherwise indicated.

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects," "is expected," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates," or "believes," or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may," "could," "would," "should," "might," or "will" be taken, occur, or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: completion of certain acquisitions; management's outlook regarding future trends; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond our ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, changes in debt and equity markets, timing and availability of external financing on acceptable terms, compliance and changes in local and foreign legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the cannabis industry, as well as those risk factors listed in the "Risk Factors" in Item 1A of this Form 10. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions that may prove to be incorrect.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any of our future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements, unless required by law.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a leading, vertically-integrated, multi-state owner and operator of licensed cannabis cultivation, processing and dispensary facilities, and a developer, producer and distributor of innovative branded cannabis and CBD products in the United States. We are committed to creating a national retail brand and portfolio of branded cannabis and CBD products recognized in the United States.

Through our subsidiaries, we currently own and/or operate 29 dispensaries and 10 cultivation and/or processing facilities in nine U.S. states. In addition, we distribute cannabis and CBD products to over 200 dispensaries and CBD products to over 2,300 retail locations throughout the United States. Pursuant to our existing licenses, interests and contractual arrangements, we have the capacity to own and/or operate up to an additional 13 dispensaries in five states, plus and an uncapped number of licenses in Florida, and up to 12 cultivation and/or processing facilities, and we have the right to manufacture and distribute cannabis products in nine U.S. states.

Our multi-state operations encompass the full spectrum of medical and adult-use cannabis and CBD enterprises, including cultivation, processing, product development, wholesale-distribution and retail. Cannabis products offered by us include biomass, products containing biomass (such as pre-rolls), cannabis infused products (such as topical creams and edibles) and products containing cannabis extracts (such as vape cartridges, concentrates, live resins, wax products, oils and tinctures). Our CBD products include products designed for wellness (such as topical creams, tinctures and sprays) and products designed for beauty and skincare (such as lotions, creams, haircare products, lip balms and bath bombs).

Since inception, we have accelerated the growth of our business through the following key strategic acquisitions:

- On June 27, 2019, we acquired CBD For Life, a top-ranked, national CBD brand. We sell CBD For Life products directly to consumers online at *www.cbdforlife.us* as well as in over 2,300 retail locations across the United States.

- On February 5, 2019, we acquired the U.S. operations of MPX pursuant to which we expanded our operations from six to ten states and added a robust portfolio of MPX-branded products. As a result of the MPX Acquisition, we acquired operations in Arizona, Nevada, Maryland and New Jersey and expanded our operations in Massachusetts.

- On February 1, 2018, we acquired Citiva pursuant to which we expanded our cannabis operations to New York and are permitted to operate one medical manufacturing facility, including cultivation and processing capabilities and up to four medical dispensaries in New York.

- On January 17, 2018, we acquired substantially all of the assets of GrowHealthy. The transactions included the formation of iAnthus Holdings Florida, LLC and GHHIA, each a wholly-owned subsidiary of ICM, together with the purchase of GHP and an option to acquire 100% of McCrory's. On September 19, 2019, the option was exercised and 100% of the membership interest in McCrory's was transferred to GHHIA. As a result of the acquisition of GrowHealthy, we expanded our cannabis operations to Florida, and as a result of the acquisition of McCrory's, we hold a medical marijuana treatment center license in the state of Florida that permits us to operate one or more cultivation and processing facilities and an unlimited number of dispensaries.

- On December 31, 2017, we acquired an 80% interest in Pilgrim and on April 17, 2018, we acquired the remaining 20% interest in Pilgrim. Pilgrim is an affiliated management company that provides management services, financing, intellectual property licensing, real estate, equipment leasing and certain other services to Mayflower, which holds vertically integrated medical cannabis licenses and adult-use cannabis licenses. As a result of the acquisition of Pilgrim, we expanded our cannabis operations to Massachusetts.

Recent Developments

Payment of Outstanding Obligations

In connection with the MPX Acquisition, we assumed the Stavola Trust Note in the principal amount of $10.8 million, payable to the Elizabeth Stavola 2016 NV Irrevocable Trust. The trust is for the benefit of Elizabeth Stavola, our former Chief Strategy Officer and a former member of our Board of Directors. On January 10, 2020, we repaid the outstanding principal amount of $10.8 million and interest of $24,000 on the Stavola Trust Note, repaying the note in full.

Special Committee Formation

On March 31, 2020, the Special Committee was formed to launch an investigation into the actions of Hadley Ford, who, at the time of the investigation, was our Chief Executive Officer and a member of the Board. On April 27, 2020, the Special Committee concluded, and our Board accepted, that Mr. Ford entered into two undisclosed loans (one for $100,000 with a related-party and one for $60,000 with a non-arm's length party) which created a potential or apparent conflict of interest and should have been disclosed to the Board in a timely manner. On that same day, the Board accepted the resignation of Mr. Ford from his positions as a director and officer of the Company as well as from his positions as a director and officer of the Company's subsidiaries, effective immediately. Immediately following Mr. Ford's resignation, Randy Maslow, our President, was appointed to serve as our Interim Chief Executive Officer. In connection with Mr. Ford's resignation, on April 27, 2020, we entered into a settlement and general release agreement with Mr. Ford pursuant to which, among other things, we extended the maturity date of Mr. Ford's loan to June 30, 2021 and the balance of the loan was partially offset by compensation owed to Mr. Ford in the amount of $488,467.

Financial Restructuring

Due to the liquidity constraints we experienced in the first quarter of 2020, we attempted to negotiate temporary relief of our interest obligations with the Secured Lenders. However, we were unable to reach an agreement and did not make interest payments when due and payable to the Secured Lenders or payments that were due to the Unsecured Lenders. As of September 30, 2020, we are in default of our obligations pursuant to the Debentures which consists of $97,507,778 and $60,000,000 in principal amount plus accrued interest thereon with respect to the Secured Convertible Notes and Unsecured Convertible Debentures, respectively.

As a result of the default, all amounts, including principal and accrued interest, became immediately due and payable to the Lenders. Furthermore, as a result of the default, we also became obligated to pay the Exit Fee of $10,000,000 that accrues interest at a rate of 13% annually in relation to the Secured Convertible Notes, which as of September 30, 2020, is in excess of $12.9 million. Upon payment of the Exit Fee, the holders of the Tranche One Secured Convertible Notes are required to transfer the 3,891,051 common shares issued under the $10,000,000 equity financing that closed concurrently with the Tranche One Secured Convertible Notes to us. As of September 30, 2020, we have not paid the Exit Fee and such shares have not been transferred to us.

On June 22, 2020, we received a notice demanding repayment under the Secured Notes Purchase Agreement of the entire principal amount of the Secured Convertible Notes, together with interest, fees, costs and other charges that have accrued or may accrue from the Collateral Agent holding security for the benefit of the Secured Convertible Notes. The Collateral Agent concurrently provided us with the BIA Notice. Pursuant to section 244 of the BIA, the Collateral Agent may not enforce the security over the collateral granted by us until ten days after sending the BIA Notice unless we consent to an earlier enforcement of the security.

On July 13, 2020, we entered into the Restructuring Support Agreement with the Secured Lenders and the Consenting Unsecured Lenders to effectuate the Recapitalization Transaction to be implemented by way of the Plan of Arrangement under the BCBCA following approval by the Secured Lenders, Unsecured Lenders and our Existing Shareholders. Pursuant to the Recapitalization Transaction, the Secured Lenders, the Unsecured Lenders and our Existing Shareholders are to be allocated and issued, approximately, such amounts of Restructured Senior Debt, Interim Financing, 8% Senior Unsecured Convertible Debentures and percentage of our pro forma common shares, as presented in the following table:

(in '000s of U.S. dollars)	Restructured Senior Debt[1]	Interim Financing[2]	8% Senior Unsecured Debentures[3]	Pro Forma Common Equity[4]
Secured Lenders	$ 85,000	$ 14,737	$ 5,000	48.625%
Unsecured Lenders	-	-	15,000	48.625%
Existing Shareholders	-	-	-	2.75%
Total	**$ 85,000**	**$ 14,737**	**$ 20,000**	**100.00%**

(1) The principal balance of the Secured Convertible Notes will be reduced to $85,000,000, which will be increased by the amount of the Interim Financing, which has a first lien, senior secured position over all of our assets, is non-convertible and non-callable for three years and includes payment in kind at an interest rate of 8% per year and a maturity date which will be five years after the consummation of the Recapitalization Transaction.

(2) The Secured Lenders provided $14,736,842 of Interim Financing to ICM, on substantially the same terms as the Restructured Senior Debt, net of a 5% original issue discount. The amounts of the Interim Financing along with any accrued interest thereon is expected to be converted into, and the original principal balance will be added to, the Restructured Senior Debt upon consummation of the Recapitalization Transaction.

(3) The 8% Senior Unsecured Debentures include payment in kind at an interest rate of 8% per year, a maturity date which will be five years after the consummation of the Recapitalization Transaction, are non-callable for three years and are subordinate to the Restructured Senior Debt but senior to our common shares.

(4) Following consummation of the Recapitalization Transaction, a to-be-determined amount of equity will be made available for management, employee and director incentives, as determined by the New Board. All of our existing warrants and options will be cancelled and our common shares may be consolidated pursuant to a consolidation ratio which has yet to be determined.

Upon consummation of the Recapitalization Transaction, the New Board will be composed of the following members: (i) three nominees will be designated by the Secured Lenders; (ii) three nominees will be designated by the Consenting Unsecured Lenders; and (iii) one nominee will be designated by the director nominees of the Secured Lenders and Consenting Unsecured Lenders to serve as a member of our Board of Directors.

Pursuant to the terms of the proposed Recapitalization Transaction, the Collateral Agent, the Secured Lenders and the Consenting Unsecured Lenders agreed to forbear from further exercising any rights or remedies in connection with any Events of Default and shall take such steps as are necessary to stop any current or pending enforcement efforts in relation thereto. Upon consummation of the Recapitalization Transaction, the Collateral Agent, Secured Lenders and Consenting Unsecured Lenders are also expected to irrevocably waive all Defaults and take all steps required to withdraw, revoke and/or terminate any enforcement efforts in relation thereto.

On September 14, 2020, our securityholders voted in support of the Recapitalization Transaction. Specifically, all of the holders of the Secured Convertible Notes and Unsecured Convertible Debentures voted in favor of the Plan of Arrangement. In addition, the holders of our common shares, options and warrants, representing 79.0% of the votes cast, voted in favor of the Plan of Arrangement.

On October 5, 2020, the Plan of Arrangement was approved by the Supreme Court of British Columbia, subject to the receipt of all necessary regulatory and stock exchange approvals.

On November 3, 2020, Walmer Capital Limited, Island Investments Holdings Limited and Alastair Crawford collectively served and filed a Notice of Appeal with respect to the Court's approval of the Plan of Arrangement.

Financing

On July 13, 2020, ICM issued the July Secured Debentures in the aggregate principal amount of $14,736,842 (including a 5% original issue discount) to the Secured Lenders pursuant to a Second Amended and Restated Debenture Purchase Agreement dated as of July 10, 2020 and as contemplated pursuant to the Recapitalization Transaction. The July Secured Debentures mature on July 13, 2025 and accrue interest at a rate of 8% annually. Interest is to be paid in kind by adding the interest accrued to the principal amount on the last day of each fiscal quarter and thereafter such added amount will become part of the principal amount and will begin to accrue interest at a rate of 8% annually. Interest will be payable on the date that all of the principal amount is due and payable. ICM is not permitted to redeem, convert, or prepay the July Secured Debentures prior to July 13, 2023 without the prior written consent of the Secured Lenders. Similar to the Secured Notes, the July Secured Debentures are secured by certain of our current and future assets.

Mutual Termination of Acquisition

On July 31, 2020, we and Sierra Well announced the mutual termination of the previously announced merger agreement entered into on September 18, 2019 pursuant to which we were to acquire Sierra Well, a cannabis cultivator, processor, distributor and retailer in Nevada subject to regulatory approval.

Redemption of 24.6% Equity Interest in RGA

On October 22, 2020, our 24.6% equity interest in RGA was redeemed for approximately $2.4 million. RGA is owned in part by an individual with a familial relationship to Hadley Ford, our former officer and director.

Operational and Financial Highlights

- During the year ended December 31, 2019, we produced approximately 5,000 pounds of dried and cured cannabis (biomass and whole cured plant) and approximately 900 pounds of fresh frozen cannabis as compared to approximately 270 pounds of dried cannabis and no cured cannabis or fresh frozen cannabis for the year ended December 31, 2018;

- During the year ended December 31, 2019, we continued the buildout of outdoor shade houses and greenhouses at our Lake Wales, Florida facility, adding combined indoor and outdoor cultivation space of over 197,000 square feet;

- As of December 31, 2019, we had 29 operational dispensaries. During the year ended December 31, 2019, we opened 10 dispensaries in Florida in the cities of Brandon, Lake Worth, Orlando, Daytona, Miami, Lakeland, Gainesville, Bonita Springs, Deerfield and Ocala, bringing our total dispensary count in Florida to 11;

- As of December 31, 2019, 351,000 square feet of cultivation/processing space has been fully built-out;
- During the year ended December 31, 2019, Gotham Green Partners ("GGP") invested $56.2 million through the purchase of Secured Convertible Notes; and
- During the year ended December 31, 2019, we recorded an aggregate impairment loss of $234.3 million (December 31, 2018 - $nil) against our goodwill balance.

Results of Operations for the Years Ended December 31, 2019 and 2018

Revenues and Gross Margin

(in '000s of U.S. dollars)	Years Ended December 31, 2019	2018
Revenue		
Eastern Region	$ 41,513	$ 3,405
Western Region	33,632	-
Other	3,237	-
Total Revenues	**$ 78,382**	**$ 3,405**
Cost of sales applicable to revenues		
Eastern Region	$ 27,683	$ 790
Western Region	29,746	-
Other	1,851	-
Total Cost of Sales applicable to revenues	**$ 59,280**	**$ 790**
Gross Margin		
Eastern Region	$ 13,830	$ 2,615
Western Region	3,886	-
Other	1,386	-
Total	**$ 19,102**	**$ 2,615**

The eastern region includes our operations in Florida, Maryland, Massachusetts, New York, New Jersey and Vermont. The western region includes our operations in Arizona and Nevada as well as our assets and investments in Colorado and New Mexico.

Eastern Region

As of December 31, 2019, we held licenses to operate up to 58 dispensaries, seven cultivation and processing facilities and one processing only facility in the eastern region. As of December 31, 2019, we had 18 dispensaries and three cultivation and processing facilities and one processing facility open and operational in this region. As of December 31, 2018, we had three dispensaries and three cultivation and processing facilities open and operational in the eastern region.

Our sales revenues in the eastern region for the year ended December 31, 2019 increased to $41.5 million from $3.4 million for the year ended December 31, 2018. The increase in revenues was driven by 10 new dispensary openings in Florida during 2019 and on-going growth across eastern operations in 2018 as well as the acquisition and development of new operations acquired in Maryland as a result of the MPX Acquisition.

During the year ended December 31, 2019, approximately 12,000 pounds of plant material was harvested from three cultivation facilities operating in the eastern region as compared to approximately 270 pounds harvested from three cultivation facilities operating in this region for the year ended December 31, 2018.

In the eastern region, for the year ended December 31, 2019, gross margin was $13.8 million, or 33.3% of sales revenues, as compared to $2.6 million, or 76.8% of sales revenues for the year ended December 31, 2018. The increase in gross margin as a percentage of revenue was primarily due to additional reliance on wholesale purchases of biomass and early development stage of new operations entered into since 2018. During 2019, we opened dispensaries in Maryland and New York where we had very limited or no cultivation capacity. As a result, we purchased third-party products to sell at our retail locations. In order to expand product offerings and to meet sales demand for our products, we purchased third-party biomass to be used in the production process in Maryland and third-party finished products to be sold in our dispensaries in New York. The margin was lower in these states compared to the rest of the eastern region as the cost of purchased biomass is higher than biomass grown internally. Furthermore, the costs and expenses applicable to revenues for the eastern region included write-downs related to spoiled and obsolete inventories of $1.1 million for the year ended December 31, 2019. No such write-downs were recorded for the year ended December 31, 2018.

Western Region

As of December 31, 2019, we held licenses to operate up to 15 dispensaries and eight cultivation and processing facilities in the western region. As of December 31, 2019, we had 11 dispensaries and seven cultivation and processing facilities with capacity for additional cultivation buildout in this region. Prior to our acquisition of MPX on February 5, 2019, we did not have operations in the western region.

Our sales revenues in the western region for the year ended December 31, 2019 were $33.6 million. We did not have revenue in the western region for the year ended December 31, 2018 as this operating segment is mainly comprised of the operations of MPX which we acquired on February 5, 2019.

In the western region, for the year ended December 31, 2019, gross margin was $3.9 million or 11.6% of sales revenues, which was lower than the gross margin experienced in the eastern region. Currently, we do not have any retail locations in Nevada and we sell our products on a wholesale basis only. Generally, based on our other operations, gross margin on wholesale revenues is lower than retail sales.

During the year ended December 31, 2019, approximately 4,700 pounds of plant material was harvested from seven cultivation facilities operating in the western region.

Other revenues

Other revenues include revenues from the sale of CBD products and income from property leasing arrangements with a subsidiary operating in Colorado that does not meet consolidation criteria under GAAP. For the year ended December 31, 2019, other revenues were $3.2 million as compared to $nil for the year ended December 31, 2018 mainly due to our acquisition of CBD For Life on June 27, 2019.

Selling, general and administrative expenses

	Years Ended December 31,	
(in '000s of U.S. dollars)	**2019**	**2018**
Salaries and employee benefits	$ 34,714	$ 10,724
Share-based compensation	14,232	6,779
Legal and other professional fees	13,192	7,774
Facility, insurance and technology costs	10,856	3,020
Depreciation and amortization on property, plant and equipment	8,271	2,457
Acquisition-related costs	6,720	717
Marketing expenses	5,139	1,846
Travel and pursuit costs	2,746	2,203
Other general corporate expenditures	6,321	3,417
Total	**$ 102,191**	**$ 38,937**

As set forth in the table above, for the year ended December 31, 2019, salaries and employee benefits and facility, insurance and technology costs increased to $34.7 million and $10.8 million, respectively, mainly due to the acquisitions of MPX and CBD For Life during 2019 as compared to $10.7 million and $3.0 million, respectively for the year ended December 31, 2018. These acquisitions significantly increased employee head count contributing to higher salaries and employee benefits expenses. The operations acquired as part of these two acquisitions also contributed to additional operating expenses such as facility rent, utilities, property taxes, insurance, repairs and maintenance. In addition, we saw an expansion in operations from 2018 mainly due to the opening of additional dispensaries and the build-out of additional cultivation and processing facilities. Furthermore, salaries and employee benefits expense increased due to expansion of our skilled labor force including the addition of senior personnel in marketing, IT, infrastructure and legal.

Share-based compensation was higher at $14.2 million for the year ended December 31, 2019 as compared to $6.8 million for the year ended December 31, 2018 primarily due to the issuance of additional stock options including performance-based awards granted under our stock option plan during 2019.

Legal and other professional fees for the year ended December 31, 2019 increased to $13.2 million as compared to $7.8 million for the year ended December 31, 2018 as a result of our ongoing expansion which required the expertise of various professionals such as bankers, lawyers, accountants, auditors, valuators and tax specialists to ensure compliance with local and state regulatory bodies and to integrate operations under our management.

Acquisition-related costs for the year ended December 31, 2019 increased to $6.7 million as compared to $0.7 million for the year ended December 31, 2018. Acquisition-related costs are transaction based and are directly related to businesses acquired during the year. For the year ended December 31, 2019, the costs included expenses associated with the acquisition and integration of the MPX and CBD For Life businesses. In comparison, for the year ended December 31, 2018, the costs included expenses related to the acquisition activity in New York and Florida. The acquisitions from 2018 were smaller than the MPX Acquisition in 2019, and therefore, the related costs were significantly less in 2018 as compared to 2019. Refer to Note 5 of the accompanying consolidated financial statements for the years ended December 31, 2019 and 2018 for more details of the businesses acquired during 2019 and 2018.

Marketing expenses for the year ended December 31, 2019 increased to $5.1 million from $1.8 million for the year ended December 31, 2018 mainly due to development costs incurred in preparation for the roll-out of our new brand campaign, Be., during 2020.

Depreciation and amortization on property, plant and equipment increased to $8.3 million for the year ended December 31, 2019, as compared to $2.5 million for the year ended December 31, 2018 primarily due to the increased depreciable asset base resulting from the acquisitions of MPX and CBD For Life and the ongoing rollout of our new dispensary locations and buildout of our cultivation and processing facilities. Further, amortization expense increased during the year ended December 31, 2019 as a result of our adoption of ASC Topic 842 Leases (“ASC 842”), as of January 1, 2019. ASC 842 requires that a right-of-use asset equal to the present value of future minimum rent payments plus any prepaid rent be recorded in total assets with a corresponding lease liability recorded in total liabilities. The right of use assets are amortized over the lease term including any likely renewal terms. The impact of the adoption of ASC 842 is further discussed in Note 4 to our consolidated financial statements.

Other general corporate expenditures include research and development costs related to new products, bank fees, general office expenses, regulatory and compliance related expenses, loss contingencies, foreign exchange gains and losses and miscellaneous items, other than interest.

Amortization of intangibles

Amortization on other intangible assets increased to $14.2 million for the year ended December 31, 2019 as compared to $3.9 million for the year ended December 31, 2018 mainly due to the Company's higher asset base. The purchase price allocation for the MPX Acquisition was finalized in the second quarter of 2019, and we recorded finite life intangibles comprising mainly of dispensary and cultivation licenses with a fair value of $127.3 million in our other intangible assets. Refer to Note 5 in the accompanying consolidated financial statements for the years ended December 31, 2019 and 2018 for more details on the MPX Acquisition.

Write-downs of inventory and other charges

During the years ended December 31, 2019 and 2018, we recorded write-downs and other charges of $1.4 million and $0.4 million, respectively. Of these charges, $0.1 million was related to uncollectible accounts receivable (December 31, 2018 — $nil) and $1.2 million resulted from disposal of fixed assets (December 31, 2018 — $0.3 million).

Goodwill impairment loss

For the year ended December 31, 2019, we recorded an aggregate impairment loss of $234.3 million (December 31, 2018 — $nil) against our goodwill balance. Further discussion relating to impairment is disclosed in Note 11 of the accompanying consolidated financial statements. The carrying amount of our goodwill is tested at least annually for impairment as of December 31. As a result of the continued decline in our stock price and market capitalization, our enterprise fair value exceeded our market capitalization as of December 31, 2019. In order to align the implied control premium with current general market conditions, the impairment losses recorded for each reporting unit were higher than those indicated by a difference in carrying value and fair value.

Interest income

For the years ended December 31, 2019 and 2018, interest income of $0.1 million and $0.6 million, respectively, was recognized as a result of our loan facilities and bank balances.

Interest expense, accretion expense and other debt related expenses

	Years Ended December 31,	
(in '000s of U.S. dollars)	**2019**	**2018**
Interest expense	$ 10,604	$ 4,794
Accretion expense	13,369	21,274
Loss on debt extinguishment	–	4,885
Debt issuance costs	–	151
Total	**$ 23,973**	**$ 31,104**

For the year ended December 31, 2019, interest expense increased to $10.6 million as compared to $4.8 million for the year ended December 31, 2018. The increase was mainly due to the following additional financings during the year:

- In March 2019, we issued Unsecured Convertible Debentures in the principal amount of $35.0 million, in May 2019, we issued Unsecured Convertible Debentures in the principal amount of $25.0 million;
- In September 2019, we issued Secured Convertible Notes in the principal amount of $20.0 million, and in December 2019, we issued Secured Convertible Notes in the principal amount of $36.2 million;
- In February 2019, we assumed a loan of $36.6 million in connection with the MPX Acquisition, which was fully redeemed before its maturity date in the second quarter of 2019; and
- In February 2019, we assumed a note in the principal amount of $10.8 million issued in favor of Elizabeth Stavola 2016 NV Irrevocable Trust in connection with the MPX Acquisition.

For the year ended December 31, 2019, we recorded accretion expense of $13.4 million as compared to $21.3 million for the year ended December 31, 2018. During 2018, as a result of our early repayment of debentures issued during the year, we recognized the full accretion expense in 2018 rather than over time to maturity of the debentures. Additional accretion expense recognized on newly issued debt instruments during the current year was lower than the aforementioned one-time charge recorded in 2018. Refer to Note 12 in the accompanying consolidated financial statements for the years ended December 31, 2019 and 2018 for more details on the long-term debt instruments that have an impact on periodic interest and accretion expense.

Our policy is to expense any debt issuance costs allocated to a derivative liability for our compound financial instruments at the time of issuance. For the year ended December 31, 2019, debt issuance costs were $Nil (December 31, 2018 — $0.2 million). Debt issuance costs allocated to the host debt contracts are deferred and amortized over the time to maturity of the debt instrument and are included in accretion expense. Debt issuance costs allocated to financial instruments classified in equity are recorded in paid-in-capital on the consolidated balance sheet.

Change in fair value of financial instruments

For the year ended December 31, 2019, we recorded a gain of $36.5 million due to the change in fair value of financial instruments classified as derivative liabilities requiring fair value recognition each reporting period as compared to a loss of $13.8 million for the year ended December 31, 2018. We use the Black-Scholes valuation model to determine the fair value of derivate financial instruments each reporting period. Key inputs to the model are current share price, volatility and a risk-free rate. The gain from change in fair value recorded in 2019 was a result of the decline in our share price during 2019. Furthermore, the number of derivative financial instruments has increased year over year as a result of our additional private and public financings.

Equity-Accounted Investments

We account for investments in new business ventures using the guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 323 Investments – Equity Method and Joint Ventures (“ASC 323”). As of December 31, 2019, the equity method of accounting was utilized for an investment with a total carrying value of $2.4 million (December 31, 2018 — $2.3 million). For the year ended December 31, 2019, gross revenues, cost of revenue and net income for the investee were $3.5 million, $2.5 million and $1.0 million, respectively (December 31, 2018 — $3.5 million, $3.0 million and $0.5 million, respectively). We recorded our proportionate share of the net income which amounted to $0.2 million for the year ended December 31, 2019 as compared to $0.1 million in 2018.

Income Taxes

Our effective tax rate differs from the statutory tax rate and varies from year to year primarily as a result of numerous permanent differences, investment and other tax credits, the provision for income taxes at different rates in foreign and other provincial jurisdictions, enacted statutory tax rate increases or reductions in the year, including changes due to foreign exchange, changes in our valuation allowance based on our recoverability assessments of deferred tax assets and favorable or unfavorable resolution of various tax examinations.

As of December 31, 2019, we had a gross deferred income tax liability of $38.3 million. For the year ended December 31, 2019, we recorded an income tax recovery of $8.0 million, which included a provision of $7.5 million for tax shortfalls related to stock-based compensation costs recognized in the period.

We recorded an income recovery of $1.9 million for the year ended December 31, 2018 which included a $2.2 million provision for tax shortfalls related to stock-based compensation costs recognized in the period.

Liquidity and Capital Resources

Financing requirements have fluctuated from period to period because we have historically been in the development stage. Management consistently monitors our cash flows and assesses the liquidity necessary to fund both operations and development. Our ability to continue as a going concern is dependent upon our ability to raise additional capital, our ability to achieve sustainable revenues and profitable operations and, our ability to obtain the necessary capital to meet our obligations and repay our liabilities when they become due. For the year ended December 31, 2019, we reported a net loss of $312.4 million, operating cash outflows of $56.9 million and an accumulated deficit of $417.8 million. These material circumstances cast substantial doubt on our ability to continue as a going concern and ultimately on the appropriateness of the use of the accounting principles applicable to a going concern.

Our major financing activities during the year ended December 31, 2019 were as follows:

- In March 2019, we completed a private placement of $35.0 million of Unsecured Convertible Debentures and corresponding warrants to purchase up to 2,177,291 common shares at an exercise price of $6.43 per share. The Unsecured Convertible Debentures mature on March 15, 2023, accrue interest at a rate of 8% annually and are convertible into an aggregate of 5,912,159 common shares at a conversion price of $5.92 per share. At any time following September 1, 2019, we may force the conversion of these debentures into common shares if the daily volume weighted trading price of our common shares on the OTC Markets is greater than $10.29 for any ten consecutive trading days.

- In May 2019, we completed a private placement of $25.0 million of Unsecured Convertible Debentures and corresponding warrants to purchase up to 1,555,207 common shares at an exercise price of $6.43 per share. The debentures mature on March 15, 2023, accrue interest at a rate of 8% annually and are convertible into an aggregate of 4,222,971 common shares at a conversion price of $5.92 per share. At any time following September 1, 2019, we may force the conversion of these debentures into common shares if the daily volume weighted trading price of our common shares on the OTC Markets is greater than $10.29 for any ten consecutive trading days.

- In September 2019, we issued $20.0 million of Secured Convertible Notes and corresponding warrants to purchase up to 5,076,142 common shares at an exercise price of $1.97 per share. The Secured Convertible Notes mature on May 14, 2021, accrue interest at a rate of 13% annually and are convertible into an aggregate of 10,582,011 common shares at a conversion price of $1.89 per share. We may elect to extend the maturity date by 12 months to May 14, 2022 provided that we pay the lender an extension fee of $1.0 million prior to the maturity date.

- In December 2019, we issued $36.2 million of Secured Convertible Notes and corresponding warrants to purchase up to 10,792,508 common shares at exercise price of $1.67 per share. The Secured Convertible Notes mature on May 14, 2021, accrue interest at a rate of 13% annually and are convertible into 22,448,415 common shares at a conversion price of $1.61 per share. We may elect to extend the maturity date to December 20, 2022 provided that we pay the lender an extension fee of $1.0 million prior to the maturity date.

Our major financing activities during the year ended December 31, 2018 were as follows:

- In January 2018, we closed a non-brokered private placement of Unsecured Convertible Debentures for gross proceeds of $20.0 million with a maturity date of January 17, 2019 and corresponding warrants to purchase up to 10,036,130 common shares. These debentures were fully repaid on May 16, 2018 including accrued interest of $1.0 million.

- In May 2018, we issued $40.0 million of Secured Convertible Notes and corresponding warrants to purchase up to 6,670,372 common shares at an exercise price of $3.60 per share. The Secured Convertible Notes accrue interest at a rate of 13% annually, mature May 14, 2021 and are convertible into 12,987,013 common shares at a conversion price of $3.08 per share. We may elect to extend the maturity date by 12 months to May 14, 2022 provided that we pay the lender an extension fee of $1.0 million prior to the maturity date. Concurrent with the issuance of the Secured Convertible Notes, we issued $10.0 million in units, or 3,891,051 units, with each unit consisting of one Class A common share and a warrant to purchase one Class A common share at an exercise price of $3.86 per share.

- In October 2018, we closed a bought deal offering of 5,188,800 common shares at C$6.65 per common share for aggregate gross proceeds of C$34.5 million ($26.6 million based on exchange rates as of October 10, 2018).

Although there has been an increase in the amount of private capital available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and/or applicants in the United States. There can be no assurance that additional capital, if raised privately, will be available us when needed or on terms that are acceptable. Our potential inability to raise capital to fund capital expenditures or acquisitions may cast substantial doubt on our ability to continue as a going concern and may have a material adverse effect on future profitability.

The terms of our outstanding Secured Convertible Notes impose certain restrictions on our operating and financing activities, including certain restrictions on our ability to incur certain additional indebtedness, grant liens, make certain dividends and other payment restrictions affecting our subsidiaries, issue shares or convertible securities and sell certain assets. Such notes are secured by all of our current and future assets and the rights of the remaining lenders are subordinate to the secured notes. Our remaining outstanding unsecured debt instruments also impose certain restrictions on our operating and financing activities, including certain restrictions on our ability to incur certain additional indebtedness at the subsidiary level.

Working Capital

As of December 31, 2019, we held unrestricted cash of $34.8 million (December 31, 2018 □ $15.3 million). The increase in cash was largely due to the funds raised through financing activities, offset by the net cash outflows from investing and operating activities. As of December 31, 2019, we had a working capital of $16.7 million, compared to working capital of $26.8 million as of December 31, 2018. Working capital decreased mainly as a result of higher cash, accounts receivable, inventory and biological asset balances which was offset by the $10.8 million promissory note due January 2020 assumed as part of the MPX Acquisition in February 2019 and higher accounts payable and accrued liabilities in order to fund cultivation and production facility construction. Increases in inventory and biological assets was mainly due to increased cultivation and processing operational footprint from the MPX Acquisition. Inventory balances have also increased as a result of the acquisition of CBD For Life.

As a result, the Board formed the Special Committee to, among other matters, explore and consider strategic alternatives available to us in light of our prospective liquidity requirements, the condition of the capital markets affecting companies in the cannabis industry, and the rapid change in the state of the economy and capital markets generally caused by the novel coronavirus known as COVID-19, including but not limited to:

- renegotiation of existing financing arrangements and other material contracts, including any amendments, waivers, extensions or similar agreements with the Lenders to and/or stakeholders of our Company and/or our subsidiaries that the Special Committee determines are in the best interest of us and/or our subsidiaries;
- managing available sources of capital, including equity investments or debt financing or refinancing and the terms thereof;
- implementing the operational and financial restructuring of our Company and our subsidiaries and their respective businesses, assets and licensure and other rights; and
- implementing other potential strategic transactions.

Cash Flow For the Year Ended December 31, 2019 as Compared to December 31, 2018

Cash from Operating Activities

Our net cash provided/used by operating activities is affected by a number of factors, including the level of revenues generated by various operations, increases or decreases in our operating expenses, including expense related to new business acquisitions and development of newly acquired businesses and the level of cash collections received from our customers.

Cash used in operating activities during the year ended December 31, 2019 was $56.9 million as compared to $35.2 million for the year ended December 31, 2018. Increased spending was a result of increased operating activity during 2019 compared to the prior year. Our operations expanded significantly as a result of the acquisitions of MPX and CBD For Life during 2019. Cash outflows from operating activities were primarily related to general and administrative expenses, salaries and employee benefits, legal and other professional fees, as well as marketing expenses.

Changes in other non-cash operating assets for the year ended December 31, 2019 as compared to the year ended December 31, 2018 include:

- an increase of $2.6 million in accounts receivable resulting from cash receipts in the year partially offset by amounts billed; and
- a decrease of $9.7 million in inventory due to increased sales from new operations acquired as a result of the acquisitions of MPX and CBD For Life businesses.

Changes in other operating liabilities as compared to December 31, 2018 include a net decrease in accounts payable of $2.4 million and an increase in accrued liabilities of $4.7 million, both of which are due to normal operational activity.

As we continue to invest in the expansion of our operations and as these operations become more established, we expect our cashflow from operations to become a source of cash, and we intend to place less reliance on financing from other sources to fund our operations. However, we do not expect to have positive cash flows from operations in 2020.

Cash Flow from Investing Activities

Cash used in investing activities during the year ended December 31, 2019 was $56.7 million as compared to $23.6 million for the year ended December 31, 2018. Capital expenditures, including the purchase of property, plant and equipment due to the construction of additional cultivation and processing space as well as leasehold improvements related to new dispensary locations and other intangible assets were $50.3 million in 2019 as compared to $13.9 million in 2018. Cash outflows of $4.1 and $5.8 million from investing activities for the year ended December 31, 2019 were from cash paid as consideration for the new business ventures and one-time acquisition-related costs relating specifically to the MPX Acquisition and the acquisition of CBD For Life, respectively.

Cash inflows from investing activities for the year ended December 31, 2019 included $3.2 million in cash obtained from the MPX Acquisition and $0.3 million in cash proceeds from sale of certain property, plant and equipment.

Cash Flow from Financing Activities

Cash provided by financing activities for the year ended December 31, 2019 was $128.0 million as compared to $75.4 million during the year ended December 31, 2018. Significant sources of financing during the year ended December 31, 2019, included:

- $116.2 million from the private placement of debentures in March 2019, May 2019, September 2019 and December 2019;
- $9.4 million from the exercise of outstanding warrants; and
- $4.2 million from the exercise of outstanding stock options.

The cash inflows from financing activities were mainly offset by $2.1 million paid in issuance costs related to debt.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our results of operations or financial conditions.

Significant Accounting Policies and Critical Accounting Estimates

Our significant accounting policies and critical accounting estimates are fully disclosed in Note 2 to the accompanying consolidated financial statements.

Recently Adopted Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASC 606"). The new standard, as amended, supersedes existing revenue recognition guidance and applies to all entities that enter into contracts to provide goods or services to customers. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers – Deferral of the Effective Date, which amends ASU 2014-09 to defer the effective date by one year. For public companies, the new standard is effective for annual reporting periods beginning after December 31, 2017, including interim periods within that reporting period and allows earlier adoption starting with annual periods beginning after December 31, 2016. For all other entities, including emerging growth companies, this standard is effective for annual reporting periods beginning after December 15, 2018. We adopted ASC 606 and several associated ASUs on January 1, 2017, the earliest possible adoption date. We adopted ASC 606 utilizing the modified retrospective transition method with a cumulative catch-up adjustment and applied the guidance only to contracts not completed as of the date of initial application. The adoption of the standard did not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASC 842. Further, the FASB has issued several additional ASUs related to the new leases standard. We adopted ASC 842, on January 1, 2019, as amended. The standard was issued to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. As a lessor, adoption of the standard had no impact on us as we had not entered into any third-party lease contracts where we are the lessor. As a lessee, the adoption of the standard resulted in us recording a net increase to right of use assets of approximately $12.7 million and lease liabilities of approximately $12.8 million as of January 1, 2019. The gross right-of-use assets amounted to $13.3 million while prepaid expenses of $0.3 million and unamortized lease inducements and other accruals of $0.3 million were reclassed from accrued liabilities to offset the applicable right-of-use asset.

We mainly lease office space, cultivation, processing and dispensary facilities. The adoption of ASC 842 did not change the lease classification of our leases. The leases continue to be classified as operating leases similar to the guidance under ASC 840, Leases ("ASC 840"). The adoption of ASC 842 did not materially impact our net earnings (losses) and had no impact on cash flows.

We adopted ASC 842 utilizing the modified retrospective transition method which allowed us to adopt the standard as of the date of initial application. Prior year comparative amounts are not required to be restated and are presented in accordance with ASC 840 or other applicable standards effective prior to January 1, 2019. We have elected the 'package of practical expedients' permitted under the transition guidance within ASC 842, which permits us to carry forward the historical lease classification and not reassess whether any expired or existing contracts are or contain leases. In addition, we are not required to reassess initial direct costs for any existing leases. We did not elect the land easements and the use of hindsight practical expedients in determining the lease term for existing leases. ASC 842 also provides practical expedients for an entity's ongoing accounting. We have elected the short-term lease recognition exemption for all leases that qualify. As a result, for those leases with a term of less than 12 months after consideration of any likely renewal terms, we will not recognize right-of-use assets or lease liabilities. We also elected to use the practical expedient method to not separate lease and non-lease components for all our leases.

The following table presents the impact from the adoption of ASC 842 on our consolidated balance sheet:

(in '000s of U.S. dollars)	Balance as of December 31, 2018	ASC 842 Adjustments	Balance at January 1, 2019
Assets			
Right-of-use assets	$ -	$ 12,685	$ 12,685
Prepaid expenses	2,985	(306)	2,679
Liabilities			
Accrued and other liabilities	1,204	(307)	897
Lease liabilities	-	12,780	12,780
Shareholders' equity			
Accumulated deficit	(104,222)	106	(104,116)

See Note 4 to the accompanying consolidated financial statements for a further discussion of our adoption of ASC 842.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall (Subtopic 825-10) – Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 is intended to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. For public companies, the new standard is effective for annual periods beginning after December 15, 2017, including interim periods within the fiscal year. For all other entities, including emerging growth companies, ASU 2016-01 is effective for annual periods beginning after December 15, 2018 and interim periods within those annual periods beginning after December 15, 2019. We adopted ASU 2016-01 on January 1, 2019, and the adoption did not have a material impact on the disclosures provided in our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Compensation – Stock Compensation (Topic 718). ASU 2016-09 is intended to simplify the accounting for share-based payment transactions, including income tax consequences, classification of awards as either assets or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2017 and interim periods within annual periods. Early adoption is permitted. We adopted ASU 2016-09 on January 1, 2017, and the adoption did not have a material impact on our consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities. The objective of the amendments is to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. In addition, the amendments make certain targeted improvements to simplify the application of the hedge accounting guidance in current GAAP. For public entities, the amendments are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019 and interim periods within fiscal years beginning after December 15, 2020. Early application is permitted in any interim period after issuance of the update. We adopted the amendments on January 1, 2019, and the adoption did not have a material impact on our consolidated financial statements.

In January 2019, we adopted ASU 2016-18 *Statement of Cash Flows* (ASC 230): "Restricted Cash," which requires inclusion of restricted cash with cash on the statement of cash flows. We retrospectively applied the pronouncement to the prior-year balance. Previously, changes in restricted cash were reported on the statement of cash flow as operating, investment, or financing activities based on the nature of the underlying activity.

Issued Accounting Standards Not Yet Adopted

In February 2020, the FASB issued ASU 2020-02, Financial Instruments-Credit Losses (Topic 326) and Leases (Topic 842) -Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842), which amends the effective date of the original pronouncement for smaller reporting companies. ASU 2016-13 and its amendments will be effective for the Company for interim and annual periods in fiscal years beginning after December 15, 2022. We believe the adoption will modify the way we analyze financial instruments, but we do not anticipate a material impact on our results of operations. We are in the process of determining the impact that the adoption will have on our consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes, Income Taxes Topic 740 ("ASU 2019-12"). The purpose of ASU 2019-12 is to remove certain exceptions for investment, interperiod allocations and interim calculations and it adds guidance to reduce complexity in accounting for income taxes. ASU 2019-12 is effective for annual and interim periods beginning after December 15, 2020. We are currently assessing the impact of ASU 2019-12 on our consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. ASU 2018-13 adds, modifies and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the effect of adopting this ASU on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment ("ASU 2017-04"). The purpose of the amendment is to simplify how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. For public entities, the amendments in ASU 2017-04 are effective for interim and annual reporting periods beginning after December 15, 2019. We are currently assessing the impact of ASU 2017-04 on our consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). The purpose of ASU 2016-13 is to require a financial asset measured on the amortized cost basis to be presented at the net amount expected to be collected. Credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. For public entities, the amendments in ASU 2016-13 are effective for interim and annual reporting periods beginning after December 15, 2019. We are currently assessing the impact of ASU 2016-13 on our consolidated financial statements.

We consider the applicability and impact of all recently issued FASB accounting standard codification updates. ASUs that are not noted above were assessed and determined to be not applicable or not significant to our consolidated financial statements for the year ended December 31, 2019.

COVID-19

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and in March 2020, the World Health Organization declared the global emergence of the COVID-19 pandemic. We have taken necessary precautionary measures in accordance with local guidelines to ensure the safety of our facilities, staff and consumers. Our facilities, including dispensaries and cultivation facilities, continue to be operational, and management is working closely with local regulatory bodies to ensure that we continue to meet and exceed the standards in markets in which we operate. We will continue to monitor guidance and orders issued by federal, state and local authorities with respect to COVID-19. As a result, we may take actions that alter our business operations as may be required by such guidance and orders or take other steps that we determine are in the best interest of our employees, customers, partners, suppliers, shareholders and stakeholders. Any such alterations or modifications could cause substantial interruption to our business and could have a material adverse effect on our business, operating results, financial condition and the trading price of our common shares and could include temporary closures of one or more of our facilities; temporary or long-term labor shortages; temporary or long-term adverse impacts on our supply chain and distribution channels; the potential of increased network vulnerability and risk of data loss resulting from increased use of remote access and removal of data from our facilities. In addition, COVID-19 could negatively impact capital expenditures and overall economic activity in the impacted regions or depending on the severity, globally, which could impact the demand for our products and services.

It is unknown whether and how we may be impacted if the COVID-19 pandemic persists for an extended period of time or if there are increases in its breadth or in its severity, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which we are subject. The COVID-19 pandemic poses a risk that we or our employees, contractors, suppliers and other partners may be prevented from conducting business activities for an indefinite period of time.

Although we have been deemed essential and/or have been permitted to continue operating our facilities in the states in which we cultivate, process, manufacture and sell cannabis during the pendency of the COVID-19 pandemic, there is no assurance that our operations will continue to be deemed essential and/or will continue to be permitted to operate.

ITEM 3. PROPERTIES.

Our principal executive and administrative offices are located at 420 Lexington Avenue, Suite 414, New York, NY 10170. As of September 30, 2020, we lease: 4 facilities in the State of Arizona; 1 facility in the State of California; 1 facility in Canada; 25 facilities in the State of Florida; 4 facilities in the State of Maryland; 5 facilities in the State of Massachusetts; 2 facilities in the State of Nevada; 4 facilities in the State of New Jersey; 5 facilities in the State of New York; and 1 facility in the State of Vermont. In addition, we own: 4 facilities in the State of Arizona; 2 facilities in the State of Colorado; 1 facility in the State of Florida; 2 facilities in the State of Massachusetts; 1 facility in the State of New Jersey; and 1 facility in the State of New York. The following table sets forth information about our properties. We believe that these facilities are generally suitable to meet our needs.

Location	Facility Type	Approximate Square Footage of Operational Facilities	Lease Expiration Dates
Arizona	Dispensary/Processing/Cultivation Administrative	87,465 3,976	April 2022 – March 2033
California	Administrative	2,133	October 2025
Canada	Administrative	2,864	June 2022
Colorado	Dispensary/Processing/Cultivation	22,343	January 2022 – June 2023
Florida	Dispensary/Processing/Cultivation Administrative	346,813 3,718	February 2023 – June 2030
Maryland	Dispensary/Processing	15,139	April 2022 – Sep 2027
Massachusetts	Dispensary/Processing/Cultivation Administrative	37,933 2,200	February 2022 – March 2027
Nevada	Dispensary/Processing/Cultivation	32,407	November 2023 – August 2026
New Jersey	Dispensary/Processing/Cultivation Administrative	4,500 3,000	May 2022 – September 2034
New York	Dispensary/Processing/Cultivation Administrative	11,790 10,876	March 2021 – January 2030
Vermont	Dispensary/Processing/Cultivation	16,960	April 2021

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth certain information regarding beneficial ownership of shares of our common shares as of December 1, 2020 by (i) each person known to beneficially own more than 5% of our outstanding common shares, (ii) each of our directors, (iii) each of our named executive officers and (iv) all of our directors and named executive officers as a group. Except as otherwise indicated, the persons named in the table below have sole voting and investment power with respect to all shares beneficially owned, subject to community property laws, where applicable.

Beneficial Owner[1]	Common Shares Beneficially Owned	Percentage[2]
Directors and Named Executive Officers:		
Julius Kalcevich	1,674,650[3]	*
Randy Maslow	4,196,500[4]	2.4%
Robert M. Whelan Jr.	88,953[5]	*
Michael P. Muldowney	44,953[6]	*
Diane M. Ellis	38,953[7]	*
All Named Executive Officers and Directors as a Group (5 persons)	6,044,010	3.5%
5% or Greater Stockholders:		
Hi-Med, LLC [8]	17,652,001[9]	10.1%
Parallax Master Fund, LP [10]	13,792,914[11]	7.4%
Jason Adler [12]	59,533,334[13]	26.2%

* Represents beneficial ownership of less than 1%.

(1) The address of each person is c/o iAnthus Capital Holdings, Inc., 420 Lexington Avenue, Suite 414, New York, NY 10170.

(2) The calculation in this column is based upon 171,718,192 common shares outstanding on December 1, 2020. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to the subject securities. Common Shares that are currently exercisable or convertible within 60 days of December 1, 2020 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage beneficial ownership of such person, but are not treated as outstanding for the purpose of computing the percentage beneficial ownership of any other person.

(3) Represents (i) 435,282 shares of common stock and (ii) 1,239,368 shares of common stock issuable upon exercise of options. Excludes 362,654 shares of common stock issuable upon exercise of unvested options.

(4) Represents (i) 2,732,500 shares of common stock and (ii) 1,464,000 shares of common stock issuable upon exercise of options. Excludes 627,711 shares of common stock issuable upon exercise of unvested options.

(5) Represents (i) 50,000 shares of common stock and (ii) 38,953 shares of common stock issuable upon exercise of options. Excludes 77,907 shares of common stock issuable upon exercise of unvested options.

(6) Represents (i) 6,000 shares of common stock and (ii) 38,953 shares of common stock issuable upon exercise of options. Excludes 77,907 shares of common stock issuable upon exercise of unvested options.

(7) Represents 38,953 shares of common stock issuable upon exercise of options. Excludes 77,907 shares of common stock issuable upon exercise of unvested options.

(8) The address of Hi-Med, LLC is 1001 N. US Highway 1, Suite 800, Jupiter, FL 33477.

(9) Represents (i) 14,048,215 shares of common stock and (ii) 2,759,192 shares of common stock issuable upon exercise of warrants (iii) 844,594 shares of common stock issuable upon conversion of Unsecured Convertible Debentures.

(10) The address of Parallax Master Fund, LP is 88 Kearny Street, 20th Floor, San Francisco, CA 94108.

(11) Represents (i) 4,478,219 shares of common stock issuable upon exercise of warrants and (ii) 9,314,695 shares of common stock issuable upon conversion of Secured Convertible Notes.

(12) Jason Adler is the Managing Member of Gotham Green Credit Partners GP I, LLC, Gotham Green GP I, LLC, Gotham Green GP II, LLC and Gotham Green Partners SPV V GP, LLC. Gotham Green Credit Partners GP I, LLC is the General Partner of Gotham Green Credit Partners SPV 1, LP. Gotham Green GP I, LLC is the General Partner of Gotham Green Fund I, LP and Gotham Green Fund I (Q), LP. Gotham Green GP II, LLC is the General Partner of Gotham Green Fund II (Q), LP and Gotham Green Fund II, LP. Gotham Green Partners SPV V GP, LLC is the General Partner of Gotham Green Partners SPV V, LP.

(13) Represents (i) the following securities held by Gotham Green Credit Partners SPV 1, LP: (A) 2,762,646 shares of common stock, (B) 7,498,610 shares of common stock issuable upon exercise of warrants and (C) 9,533,733 shares of common stock issuable upon conversion of Secured Convertible Notes; (ii) the following securities held by Gotham Green Fund 1, LP: (A) 270,646 shares of common stock, (B) 3,570,364 shares of common stock issuable upon exercise of warrants and (C) 4,952,145 shares of common stock issuable upon conversion of Secured Convertible Notes; (iii) the following securities held by Gotham Green Fund 1 (Q), LP: (A) 1,082,759 shares of common stock, (B) 2,030,520 shares of common stock issuable upon exercise of warrants and (C) 4,232,937 shares of common stock issuable upon conversion of Secured Convertible Notes; (iv) the following securities held by Gotham Green Fund II (Q), LP: (A) 2,165,914 shares of common stock issuable upon exercise of warrants and (B) 4,515,185 shares of common stock issuable upon conversion of Secured Convertible Note; (v) the following securities held by Gotham Green Partners SPV V, LP: (A) 5,120,097 shares of common stock issuable upon exercise of warrants and (B) 10,649,801 shares of common stock issuable upon conversion of Secured Convertible Notes; and (vi) the following securities held by Gotham Green Fund II, LP: (A) 372,157 shares of common stock issuable upon exercise of warrants and (B) 775,820 shares of common stock issuable upon conversion of Secured Convertible Notes.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS.

The following table sets forth the name, age and positions of our executive officers and directors as of December 1, 2020.

NAME	AGE	POSITION
Randy Maslow	65	Interim Chief Executive Officer, President and Director
Julius Kalcevich	46	Chief Financial Officer
Robert Galvin	59	Interim Chief Operating Officer
Robert M. Whelan Jr.	68	Director
Michael P. Muldowney	57	Director
Diane M. Ellis	62	Director

The business background and certain other information about our directors and executive officers is set forth below:

Randy Maslow. Randy Maslow co-founded the Company in September 2014 and has served as the President and a board member since that time. Since April 2020, Mr. Maslow has also served as the Company's Interim Chief Executive Officer. During the prior six years, Randy Maslow has also served in various capacities with respect to the Company's subsidiaries including President, Treasurer and Corporate Secretary. Prior to iAnthus, Mr. Maslow was a tech industry senior executive, entrepreneur and attorney with more than 30 years of experience as General Counsel to rapidly growing companies in the telecom and internet industries. Mr. Maslow was Executive Vice President and General Counsel at one of the first online travel companies before joining the founding management team of the early nationwide internet service provider that became XO Communications, Inc., where he served as Senior Vice President for Business Development and General Counsel and as a member of the company's board of directors. Following the company's initial public offering in 1997, Mr. Maslow co-founded a New York-based angel investor network for startup technology companies. In 2003, Mr. Maslow co-founded Internet Gaming Entertainment U.S. ("IGE"), where he served as Senior Vice President and General Counsel and as a board member. IGE pioneered the currency exchange business for virtual assets in multi-player online games and became both the world's largest virtual currency trader for online games and a leading worldwide publisher of multi-player computer game content. Mr. Maslow received a Bachelor of Arts degree in government from Cornell University and his Juris Doctorate degree with honors from Rutgers Law School, where he served as an editor of the law review. Prior to entering the tech industry, Mr. Maslow was an attorney in private practice with Greenberg Traurig LLP, White and Williams and Blank Rome LLP. Mr. Maslow is a nationally recognized expert in federal and state cannabis law and regulatory policy and serves as a member of the Federal Policy Council of the National Cannabis Industry Association, as well as a member of the boards of directors of the U.S. Cannabis Trade Federation, the New Jersey Cannabis Trade Association, the New York Medical Cannabis Industry Association and the Massachusetts Responsible Regulation Alliance. We believe Mr. Maslow is qualified to serve as a member of our Board of Directors because of his decades of experience as a senior executive and General Counsel to high-growth businesses in the technology sector and his expertise in federal and state cannabis law and regulatory policy.

Julius Kalcevich. Julius Kalcevich has over 20 years of experience in corporate finance and strategic consulting. Mr. Kalcevichhas served as our Chief Financial Officer since June 2016 and our Director from September 2016 until February 2019. During the prior four years, Julius Kalcevich has also served in various capacities with respect to the Company's subsidiaries including Chief Financial Officer. From January 2013 until September 2016, Mr. Kalcevich also served as a partner of BG Partners where he was responsible for planning, structuring and monitoring corporate finance transactions for his firm's cannabis investments. From 2011 until 2013, Mr.Kalcevich served as Director, Investment Banking of CIBC World Markets, the investment banking subsidiary of the Canadian Imperial Bank of Commerce, and from 2010 until 2011, he served as Vice President of Dundee Capital Markets. Mr. Kalcevich also served in other capacities including Vice President of Duff & Phelps, a consultancy firm; Associate at CIBC World Markets; and Manager at Accenture. Mr. Kalcevich received a Bachelor of Arts degree from McGill University and a Master of Business Administration degree from Columbia University.

Robert Galvin. Robert Galvin was appointed to serve as the Company's Interim Chief Operating Officer on November 27, 2020. In addition, since February 2019, he has served as an operations and administrative advisor to the Company. From February 2019 to December 2019, he also served as a member of the Company's Board of Directors. Prior to iAnthus, Mr. Galvin served as a member of the board of directors and as audit committee chair of MPX Bioceutical Corporation from November 2017 until the completion of the MPX Acquisition in February 2019. From 2016 to 2018, Mr. Galvin was Chief Financial Officer of Holtec International, an energy company. From 2009 to 2016, Mr. Galvin served as Chief Financial Officer of EQM Technologies & Energy, Inc., an environmental engineering firm, and from 2002 to 2009 he served as Chief Financial Officer of NuCO2 Inc., a beverage carbonation formerly listed on Nasdaq. Mr. Galvin began his career with KPMG and holds a Bachelor of Science degree in accounting from Villanova University.

Robert M. Whelan Jr. Robert M. Whelan Jr. has served as our Director since December 2019. Since 2001, Mr. Whelan has served as the President of Whelan & Company, LLC, a company which provides business and financial consulting and strategic services to a broad range of companies, and since 2018, he has served as a Managing Director of Black Point Partners, Inc., a company which provides financial advisory, capital raising and mergers and acquisition services to technology and healthcare companies. From 2001 to 2005, Mr. Whelan also served as Managing Director of Valuation Perspectives, Inc., a consulting firm. Prior to 2001, Mr. Whelan held a number of senior-level positions at various investment banking and brokerage firms. Among other positions, Mr. Whelan was Vice Chairman of Prudential Volpe Technology Group, the technology investment banking and research division of Prudential Securities, and prior to that, he was Chief Operating Officer, Managing Director, Head of Investment Banking and a board member of Volpe Brown Whelan & Company, a private technology and healthcare investment banking, brokerage and asset management firm acquired by Prudential Securities in 1999. From 2010 until 2014, Mr. Whelan served as a director of ARIAD Pharmaceuticals, Inc. ("ARIAD"), a developer of small-molecule drugs to treat patients with aggressive cancers and also served as a member of the audit and compensation committee of ARIAD. From 2002 until 2012, Mr. Whelan served as a member of the audit committee of Leerink Swann & Co, an investment bank focused on the healthcare sector.In addition, since 2011 Mr. Whelan has served as a director of Aspen Technology, Inc. (NASDAQ: AZPN) ("Aspen"), a provider of software and services for the process industries, and chairman of its board since 2013. Mr. Whelan has also served on Aspen's compensation committee since April 2013 and on its audit committee from May 2011 to June 2016. Furthermore, Mr. Whelan has served as director and chair of the Audit Committee of Annovis Bio, a biopharmaceutical company since April 2016, and since January 2017 has served as a member of the compensation committee, nominating and corporate governance committee and audit committee of Annovis Bio. Mr. Whelan has worked in various capacities with several investment banks and venture capital firms throughout his career, including Hambrecht & Quist, Merrill Lynch, Morgan Stanley, Gollust & Tierney and AG Becker Paribas. Mr. Whelan received a Bachelor of Arts degree in history from Dartmouth College and a Master of Business Administration degree with a concentration in finance and accounting from Stanford University. We believe Mr. Whelan is qualified to serve as a member of our Board of Directors because of his more than 30 years of experience as a financial advisor to several successful, emerging-growth businesses in technology and healthcare.

Michael P. Muldowney. Michael P. Muldowney has served as our Director since December 2019. Since 2012, Mr. Muldowney has served as the Chief Executive Officer of Foxford Capital, a strategic and advisory company he founded in 2012. From 2014 until 2018,Mr. Muldowney served as the Senior Managing Director and Chief Financial Officer of Gordon Brothers Group, LLC, a global advisory, restructuring and investment firm, and he also served on the executive and investment committees of Gordon Brothers. From 2007 until 2011, he served as Executive Vice President and Chief Financial Officer of Houghton Mifflin Harcourt Company ("HMHC"), a global educational publishing company. From March 2011 to September 2011, Mr. Muldowney also served as HMHC's Interim Chief Executive Officer. After Mr. Muldowney resigned from his executive positions with HMHC, the company filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in May 2012 and emerged with a confirmed plan in June 2012. In addition, Mr. Muldowney served in other capacities including Chief Financial Officer, Chief Operating Officer, President and a member of the board of directors of Nextera Enterprises, Inc., a consulting firm; Corporate Controller of Oliver Wyman (formerly Mercer Management Consulting), a global management consulting firm; and Senior Auditor of Marsh McLennan Companies, a global professional services firm. Since 2014, Mr. Muldowney has also served as a member of the board of directors of Veritiv Corporation (NYSE: VRTV) ("Veritiv"), a business-to-business distributor of packaging, facility solutions, print and publishing products and services and a provider of logistics and supply chain management solutions. In addition, since April 2019, he has served as of the chair of Veritiv's audit committee, and since April 2019, he has served as a member of Veritiv's nominating and corporate governance committee having previously served on Veritiv's compensation and leadership development committee for five years. Mr. Muldowney received a Bachelor of Arts degree in accounting from St. Ambrose University. We believe Mr. Muldowney is qualified to serve as a member of our Board of Directors because of the financial experience he gained from his years as a financial advisor and his more than 30 years of global experience and deep strategic planning, operational improvement and value creation experience across multiple industries including investment management, business services, education, distribution and technology sectors.

Diane M. Ellis. Diane M. Ellis is a veteran business leader with 35 years of experience serving successful public, Fortune 500 and private equity companies in the consumer retail businesses. Ms. Ellis has served as our Director since December 2019. From 2016 until 2018, Ms. Ellis served as Brand President for Chico's of Chico's FAS, Inc., and from 2013 until 2016 she served as the Chief Executive Officer and President of The Limited, both American clothing retailers. From 2007 until 2013, Ms. Ellis served as the Chief Operating Officer and President of Brooks Brothers, an apparel retailer. In addition, Ms. Ellis has served in other capacities including Founding Partner of Lighthouse Retail Group, Director of Management Horizons LLP and Managing Director of Price waterhouse Coopers. Since 2012, Ms. Ellis has served as a member of the board of directors of Stage Stores, Inc. (NYSE: SSI), a department store company specializing in retailing brand name apparel, accessories, cosmetics, footwear and housewares throughout the United States. In addition, she currently serves as a member of the audit committee and corporate governance committee of Stage Stores, Inc., a position she has held since 2013. Ms. Ellis received a Bachelor of Arts degree from Chatham College. We believe Ms. Ellis is qualified to serve as a member of our Board of Directors because of her distinctive operating experience as a senior leader serving successful public, Fortune 500 and private equity companies in the consumer retail businesses and demonstrable record of driving revenue and profitable growth.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Arrangements between Officers and Directors

Except as set forth in this Form 10, to our knowledge, there is no arrangement or understanding between any of our officers or directors and any other person pursuant to which such officer or director was selected to serve as an officer or director of the Company.

Involvement in Certain Legal Proceedings

Except as set forth herein, we are not aware of any of our directors or officers being involved in any legal proceedings in the past ten years relating to any matters in bankruptcy, insolvency, criminal proceedings (other than traffic and other minor offenses), or being subject to any of the items set forth under Item 401(f) of Regulation S-K.

- Michael P. Muldowney, our director, served as Executive Vice President and Chief Financial Officer of Houghton Mifflin Harcourt Company from 2007 until 2011 and from March 2011 to September 2011, he served as HMHC's Interim Chief Executive Officer. After Mr. Muldowney resigned from his executive positions with HMHC, the company filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code in May 2012 and emerged with a confirmed plan in June 2012.

- Diane Ellis, our director, served as Chief Executive Officer and President of The Limited. Limited Stores, LLC filed for bankruptcy protection on January 17, 2017.

Audit Committee

Our audit committee is responsible for, among other things:

- overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures;

- determining whether adequate controls are in place over annual and interim financial reporting as well as controls over our assets, transactions and the creation of obligations, commitments and liabilities;

- reviewing our financial statements;

- reviewing all non-audit services which are proposed to be provided by the external auditors to us or any of our subsidiaries;

- establishing procedures for complaints received by us regarding accounting matters; and

- reviewing the policies and procedures in effect for considering officers' expenses and perquisites.

Our audit committee consists of Robert M. Whelan Jr., Michel P. Muldowney and Diane Ellis with Robert M. Whelan Jr. serving as chair. In addition, our Board of Directors has determined that Robert M. Whelan qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K.

Our Board of Directors adopted a written charter for the audit committee, which is available on our principal corporate website at https://www.ianthus.com/team/board-committees.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is responsible for, among other things:

- developing and recommending criteria for Board membership and recommending Board nominees including reviewing candidates recommended by our shareholders;

- recommending committee nominees;

- considering matters of corporate governance;
- reviewing and approving transactions with related persons;
- reviewing and advising regarding the functions of our senior officers; and
- reviewing succession plans with respect to our officers.

Our nominating and corporate governance committee consists of Robert M. Whelan Jr. and Michael Muldowney with Michael Muldowney serving as the chair.

Our Board of Directors adopted a written charter for the nominating and corporate governance committee, which is available on our principal corporate website at https://www.ianthus.com/team/board-committees.

Compensation Committee

Our compensation committee is responsible for, among other things:

- reviewing and approving our compensation and benefit programs, policies and practices;
- setting the compensation of our Chief Executive Officer and approving the compensation of the members of our executive leadership team;
- establishing and reviewing annual and long-term performance goals and objectives our Chief Executive Officer;
- reviewing the goals approved by our Chief Executive Officer for the members of our executive leadership team and the performance thereof;
- reviewing and making recommendations to the Board regarding director compensation; and
- overseeing the administration of our cash-based and equity-based compensation plans.

Our compensation committee consists of Robert M. Whelan Jr., Michael Muldowney and Diane M. Ellis with Diane M. Ellis serving as the chair.

Our Board of Directors adopted a written charter for the compensation committee, which is available on our principal corporate website at https://www.ianthus.com/team/board-committees.

ITEM 6. EXECUTIVE COMPENSATION.

The following table sets forth for the year ended December 31, 2019, the compensation awarded to, paid to, or earned by, our Chief Executive Officer and two other most highly compensated executive officers, whose total compensation during such years exceeded $100,000. We refer to these officers as our "named executive officers."

Summary Compensation Table

Name and Financial Position	Year	Salary ($)	Bonus ($)(3)	Option Awards (4) ($)	Total ($)
Randy Maslow, Interim Chief Executive Officer, President and Director [1]	2019	400,000	200,000	2,183,585	2,783,585
Julius Kalcevich, Chief Financial Officer	2019	250,000	200,000	1,700,865	2,150,865
Hadley Ford, Former Chief Executive Officer and Director [2]	2019	250,000	200,000	2,231,284	2,681,284

(1) Appointed as Interim Chief Executive Officer effective as of April 27, 2020.

(2) Resigned as Chief Executive Officer and member of the Board effective as of April 27, 2020.

(3) Amounts represent the annual incentive bonus paid to each executive pursuant to the terms of his respective employment agreement.

(4) Amounts represent the December 31, 2019 fair value of stock options granted during our fiscal year ended December 31, 2019, as calculated in accordance with FASB Accounting Standards Codification ("ASC") Topic 718, Accounting for Stock Options and Other Stock-Based Compensation. Assumptions used in calculating this amount includes: risk-free interest rate of 1.85%, expected volatility of 81.63%, and expected dividend yield of 0.00%.

Outstanding Equity Awards as of December 31, 2019

The following table provides information regarding option awards held by each of our named executive officers that were outstanding as of December 31, 2019. There were no stock awards or other equity awards outstanding as of December 31, 2019.

	Option Awards				
	Number of Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)		Option Expiration Date
Hadley Ford, Former Chief Executive Officer and Director[1]	120,000[3]	-	C$	1.25	5/11/26
	150,000[5]	-	C$	2.25	11/21/27
	150,000[7]	-	C$	3.56	3/2/28
	388,242[8]	1,329,993	C$	7.50	8/6/29
Randy Maslow, Interim Chief Executive Officer, President and Director[2]	120,000[3]	-	C$	1.25	5/11/26
	150,000[5]	-	C$	2.25	11/21/27
	150,000[7]	-	C$	3.56	3/2/28
	376,626[9]	1,295,085	C$	7.50	8/6/29
Julius Kalcevich, Chief Financial Officer	200,000[4]	-	C$	1.25	5/17/26
	257,750[6]	-	C$	2.25	11/21/27
	150,000[7]	-	C$	3.56	3/2/28
	217,592[10]	776,680	C$	7.50	8/6/29

(1) Resigned as Chief Executive Officer and member of the Board effective as of April 27, 2020.

(2) Appointed as Interim Chief Executive Officer effective as of April 27, 2020.

(3) Stock options granted to Hadley Ford and Randy Maslow in May 2016 vested quarterly in equal installments over a one year period on June 30, 2016, September 30, 2016, December 31, 2016 and March 31, 2017.

(4) Stock options granted to Julius Kalcevich in May 2016 vested quarterly in equal installments over a two year period on June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017, June 30, 2017, September 30, 2017, December 31, 2017 and March 31, 2018.

(5) Stock options granted to Hadley Ford and Randy Maslow in November 2017 vested immediately upon grant.

(6) 150,000 stock options granted to Julius Kalcevich in November 2017 vested quarterly in equal installments over a one year period on December 31, 2017, March 31, 2018, June 30, 2018 and September 30, 2018. 107,750 stock options granted to Julius Kalcevich in November 2017 vested quarterly in equal installments over a two year period on December 31, 2017, March 31, 2018, June 30, 2018, September 30, 2018, December 31, 2018, March 31, 2019, June 30, 2019 and September 30, 2019.

(7) Stock options granted to Hadley Ford, Randy Maslow and Julius Kalcevich in March 2018 vested quarterly in equal installments over a one year period on March 31, 2018, June 30, 2018, September 30, 2018 and December 31, 2018.

(8) Assuming all milestones were met as of each quarter end date, stock options granted to Hadley Ford in August 2019 would vest in accordance with the following schedule: 258,828 stock options on September 30, 2019, 129,414 stock options on December 31, 2019, 294,619 stock options on March 31, 2020, 129,414 stock options on June 30, 2020, 129,415 stock options on September 30, 2020, 129,414 stock options on December 31, 2020, 129,413 stock options on March 31, 2021, 129,415 stock options on June 30, 2021, 129,414 stock options on September 30, 2021, 129,414 stock options on December 31, 2021, 129,415 stock options on March 31, 2022.

(9) Assuming all milestones were met as of each quarter end date, stock options granted to Randy Maslow in August 2019 would vest in accordance with the following schedule: 251,084 stock options on September 30, 2019, 125,542 stock options on December 31, 2019, 290,747 stock options on March 31, 2020, 125,542 stock options on June 30, 2020, 125,543 stock options on September 30, 2020, 125,542 stock options on December 31, 2020, 125,541 stock options on March 31, 2021, 129,543 stock options on June 30, 2021, 125,542 stock options on September 30, 2021, 125,542 stock options on December 31, 2021, 124,543 stock options on March 31, 2022.

(10) Assuming all milestones were met as of each quarter end date, stock options granted to Julius Kalcevich in August 2019 would vest in accordance with the following schedule: 145,061 stock options on September 30, 2019, 72,531 stock options on December 31, 2019, 196,434 stock options on March 31, 2020, 72,351 stock options on June 30, 2020, 72,351 stock options on September 30, 2020, 72,350 stock options on December 31, 2020, 72,351 stock options on March 31, 2021, 72,351 stock options on June 30, 2021, 72,350 stock options on September 30, 2021, 72,351 stock options on December 31, 2021, 72,351 stock options on March 31, 2022.

Employment Agreements

We entered into employment agreements with the following individuals: (1) Hadley Ford (the "Ford Employment Agreement") effective as of January 1, 2019, pursuant to which Mr. Ford served as our Chief Executive Officer; (2) Randy Maslow (the "Maslow Employment Agreement") effective as of January 1, 2019, pursuant to which Mr. Maslow serves our President; and (3) Julius Kalcevich (the "Kalcevich Employment Agreement") effective as of January 1, 2019, pursuant to which Mr. Kalcevich serves as our Chief Financial Officer. Each employment agreement was subsequently amended on April 4, 2020. On April 27, 2020, we accepted Mr. Ford's resignation as Chief Executive Officer and a member of the Board. The term of the Maslow Employment Agreement will continue for a period of three years and automatically renews for successive one-year periods at the end of each term until either party delivers written notice of their intent not to renew at least 60 days prior to the expiration of the then effective term. The Kalcevich Employment Agreement provides for an indefinite term and shall remain in effect until terminated by either party pursuant to the terms thereof.

Pursuant to the terms of the employment agreements, Mr. Ford received a base salary of $600,000, while Mr. Maslow and Mr. Kalcevich each receive a base salary of $450,000. Each employment agreement also entitles the applicable employee to receive an annual incentive bonus at the sole discretion of our Board, based on criteria established annually by the Board in its sole discretion. Any such incentive bonus shall be paid no later than March 15 of the fiscal year following the fiscal year in which it was earned. Furthermore, pursuant to the terms of the applicable employment agreement, we promised issue annual grants of ten-year stock options (the "Time-Vested Options") to purchase such number of our common shares equal to the following: (i) $1,066,667 minus the value of the base salary for that year (Ford and Maslow); or (ii) $800,000 minus the value of the base salary for that year (Kalcevich). Each option grant shall vest in 12 equal quarterly installments commencing on the last day of the calendar quarter next following the date of grant and otherwise pursuant to the terms and conditions of an award agreement. Such Time-Vested Options may be granted as either stock options or restricted stock units. Each employment agreement also entitles the applicable employee to annual performance based options (the "Performance Options") to purchase such number of our common shares as determined by our compensation committee; provided, however, that the value of each annual grant shall be equal to no less than the following amounts: (i) $533,333 (Ford and Maslow) or (ii) $400,000 (Kalcevich). We retained the discretion to cancel all, some or none of the Performance Options based on the achievement of certain individual or Company performance objectives. The Performance Options expire ten years from the date of grant and vest in 12 equal quarterly installments commencing on the last day of the calendar quarter following the date of grant. The Performance Options may be granted as either as a grant of stock options or restricted stock units. Each employment agreement also entitles the applicable employee to participate in the Company's benefit plans, along with vacation, sick and holiday pay in accordance with the Company's policies established and in effect from time to time.

The Ford Employment Agreement entitled Mr. Ford to certain compensation in the event of his termination or resignation from the Company. However, in connection with the termination of Mr. Ford's employment with the Company and service as a member of the Board, the Company and Mr. Ford entered into a Settlement Agreement and General Release dated April 27, 2020 (the "Ford Settlement Agreement"), which specified the compensation that Mr. Ford was to receive following his termination. The compensation paid to Mr. Ford pursuant to the Ford Settlement Agreement will be disclosed in a subsequent Company filing.

In the event that we terminate Mr. Maslow's employment for Cause (as defined in the Maslow Employment Agreement), we shall pay Mr. Maslow accrued but unpaid salary (the "Maslow Accrued Salary") until the date of termination. Similarly, if we terminate Mr. Kalcevich's employment for Cause (as defined in the Kalcevich Employment Agreement), we shall pay Mr. Kalcevich (i) accrued but unpaid salary and vacation pay (the "Kalcevich Accrued Salary" and Kalcevich Accrued Salary or Maslow Accrued Salary, "Accrued Salary") until the date of termination. For both Mr. Maslow and Mr. Kalcevich, upon their termination for Cause, any options that vested 12 months prior to the date of termination shall be exercisable for 90 days following the date of termination and all other options shall terminate.

In the event that either Mr. Maslow's or Mr. Kalcevich's employment is terminated by us for Disability (as defined in the applicable employment agreement) or death, we shall pay to him (i) the applicable Accrued Salary until the date of termination and (ii) all issued options shall be accelerated such that they shall become immediately exercisable (and shall not be subject to reduction for failure to meet performance objectives) and we shall extend the period during which such options may be exercisable. In the event that the employment of either Mr. Maslow or Mr. Kalcevich terminates by reason of his Disability or death at the beginning of any calendar year prior to the grant of any options, we shall issue to the applicable employee options based upon the value of the options granted to him in the calendar year prior to his termination. Such options shall be fully vested and immediately exercisable, with an exercise price equal to the fair market value at the time of issuance and shall remain exercisable for a period of ten years from the date of grant.

In the event that either Mr. Maslow or Mr. Kalcevich terminates his employment other than for Good Reason (as defined in the applicable employment agreement), we shall pay to him (i) the applicable Accrued Salary until the date of termination and (ii) all issued vested options shall continue to be exercisable but any unvested options shall terminate.

In the event that we terminate either Mr. Maslow's or Mr. Kalcevich's employment without Cause or if Mr. Maslow or Mr. Kalcevich terminates his employment for Good Reason, we shall pay to him (i) the applicable Accrued Salary until the date of termination and (ii) all issued options shall be accelerated such that they shall become immediately exercisable and we shall extend the period during which such options may be exercisable. Furthermore, if Mr. Maslow or Mr. Kalcevich, as applicable, has been employed by us for at least three years, we shall also (i) issue him additional options to purchase such number of common shares equal to the total value of the options issued to him during the preceding 12 months (which options shall be fully vested and immediately exercisable) and (ii) pay him the Severance Payment (as defined in the applicable employment agreement) in an amount equal to his current base salary, plus the amount of any incentive bonus paid to him during the previous twelve (12) months, provided that he, among other things, signs a release agreement. In addition, we will pay the COBRA premiums for Mr. Maslow or Mr. Kalcevich, as applicable, and his dependents for a period of twelve (12) months following his termination.

In the event that we terminate either Mr. Maslow's or Mr. Kalcevich's employment without Cause or if Mr. Maslow or Mr. Kalcevich terminates his employment for Good Reason during the first twelve (12) months after a Change in Control (as defined in the applicable Employment Agreement), we shall pay to him (i) the applicable Accrued Salary until the date of termination; (ii) an amount equal to his Adjusted Base Salary Compensation (as defined in the Maslow Employment Agreement) or Base Salary Compensation (as defined in the Kalcevich Employment Agreement), as applicable, for period of two years following the termination date; and (iii) all options shall be accelerated such that they shall become immediately exercisable (and shall not be subject to reduction for failure to meet performance objectives) and we shall extend the period during which such options may be exercisable. In addition, if Mr. Maslow or Mr. Kalcevich, as applicable, has been employed by us for less than three years, we shall issue to him options to purchase such number of common shares equal to either the Adjusted Option Value (Maslow) or Option Value (Kalcevich) (as applicable, and as such terms are defined in the applicable employment agreement) that were issued to him during the preceding 12 months. If the applicable employee has been employed by us for more than three years, we shall issue options to purchase such number of common shares equal to two times the Adjusted Option Value (Maslow) or Option Value (Kalcevich) that were issued to him during the preceding 12 months, provided that the applicable employee, among other things, signs a release agreement. In either case, such options shall be fully vested and immediately exercisable for a period of ten years from the date of grant.

Equity Grant Practices

We adopted the Company's Amended and Restated Omnibus Incentive Plan (the "Omnibus Incentive Plan") dated October 15, 2018, which was approved by the shareholders of the Company at the Company's annual general and special meeting held on November 26, 2018. Pursuant to the Omnibus Incentive Plan, we can grant stock options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, annual or long-term performance awards or other stock-based awards. On February 1 of each calendar year during the term of an executive employment agreement or the first day thereafter that the Company is permitted to make option grants to executives of the Company, such executives receive grants of both time vested options and performance options. These equity grants may be granted as either stock options or restricted stock units.

Determination of Bonus Plan Payments

Pursuant to the terms of the executive employment agreements described above, the Company, through the Board, has the discretion to determine the amounts of the annual incentive bonus payments which executives may receive. The Company, through the Board, shall have reasonable discretion to cancel all, some, or none of any performance based options depending on whether the Company and/or the executive has met the predetermined annual performance objectives.

The bonus payments made to executives with respect to 2019 represent the discretionary annual amounts that the Board determined to pay each executive.

Regular Benefits

To the extent eligible under the applicable plans and programs, an executive and an executive's family shall be entitled to participate in the Company's medical, dental, and vision plans.

Director Compensation

The following table presents the total compensation for each person who served as a non-employee member of our Board of Directors and received compensation for such service during the fiscal year ended December 31, 2019. Other than as set forth in the table and described more fully below, we did not pay any compensation, make any equity awards or non-equity awards to, or pay any other compensation to any of the non-employee members of our Board of Directors in 2019.

Name	Fees earned or paid in cash ($)	Option awards (1) (2) ($)	Total ($)
Robert M. Whelan Jr.	$ 3,383.56	$ 117,222.27	$ 120,605.83
Michael P. Muldowney	$ 2,849.32	$ 117,222.27	$ 120,071.59
Diane M. Ellis	$ 2,849.32	$ 117,222.27	$ 120,071.59
Mark Dowley	$ 3,383.56	$ 117,222.27	$ 120,605.83
Joy Chen	$ 3,383.56	$ 117,222.27	$ 120,605.83

(1) As of December 31, 2019, each director held options to purchase up to 116,860 common shares. Option award amounts represent the grant date fair value of stock options granted during our fiscal year ended December 31, 2019, as calculated in accordance with FASB ASC Topic 718, Accounting for Stock Options and Other Stock-Based Compensation. Assumptions used in calculating this amount include: risk-free interest rate of 1.69%, expected volatility of 88.23%, and expected dividend yield of 0.00%.

(2) As of December 31, 2019, each director held options to purchase up to 116,860 common shares which vest in accordance with the following schedule: 19,476 stock options on June 30, 2020, 9,739 stock options on September 30, 2020, 9,738 stock options on December 31, 2020, 9,738 stock options on March 31, 2021, 9,739 stock options on June 30, 2021, 9,738 stock options on September 30, 2021, 9,738 stock options on December 31, 2021, 9,739 stock options on March 31, 2022, 9,738 stock options on June 30, 2022, 9,738 stock options on September 30, 2022, and 9,739 stock options on December 31, 2022.

(3) Each independent director is paid an annual cash fee of $40,000, which is prorated for the number of days in which the director has served on the Board, assuming 365 days in a calendar year. Directors who also chair one of the three committees receive an additional $7,500 per year in committee chair fees, which is prorated for the number of days in which the director has chaired a committee, assuming 365 days in a calendar year.

Upon appointment to the Board, each non-employee director received an initial grant of stock options to purchase shares of the Company's common stock valued at $117,222.27 on the date of grant, which vest in accordance with the vesting schedule provided above in footnote two.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

The following includes a summary of transactions during our fiscal years ended December 31, 2019 and December 31, 2018 to which we have been a party, including transactions in which the amount involved in the transaction exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described elsewhere in this Form 10. We are not otherwise a party to a current related party transaction and no transaction is currently proposed, in which the amount of the transaction exceeds the lesser of $120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years and in which a related person had or will have a direct or indirect material interest.

During 2016, ICM, our wholly-owned subsidiary, provided funding in the amount of $2.0 million to RGA, an entity owned by an individual with a familial relationship with Hadley Ford, our former Chief Executive Officer and member of our Board. The amount loaned to RGA as well as $0.3 million of accrued interest was subsequently converted by ICM into 229,774 Class A-1 units of RGA in October 2016. As of December 31, 2019 and 2018, ICM is owed $nil and $30,000, respectively, from RGA for certain legal fees and expenses. As of December 31, 2019 and 2018, ICM's investment in RGA was valued at $2,436,452 and $2,280,995, respectively, using the equity method. On October 22, 2020, our 24.6% equity interest in RGA was redeemed for approximately $2.4 million.

Effective December 31, 2017, we acquired a 100% interest in Pakalolo, LLC, the former sole member of FWR, Inc ("FWR"). From its historical transactions, FWR owed amounts to RGA and its affiliates and as a result of the acquisition, we included a balance due to related parties of $Nil and $0.03 million as of December 31, 2019 and 2018, respectively. On August 23, 2019, FWR was converted from a nonprofit corporation to a profit corporation and issued its only common stock outstanding to GVMS. As a result of this conversion, FWR is now 100% owned by us through our wholly-owned subsidiary, GVMS, and Pakalolo is no longer a member of FWR.

On June 30, 2017, Hadley Ford, our former Chief Executive Officer and member of our Board entered into a loan facility with us for up to C$500,000. As of December 31, 2019 and 2018, the outstanding balance of the facility was C$531,170 (approximately $391,000 based on exchange rates as of December 31, 2019) and C$518,670 (approximately $391,000 based on exchange rates as of December 31, 2018), respectively, together with interest accrued thereon of C$31,170 (approximately $23,000 based on exchange rates as of December 31, 2019) and C$18,670 (approximately $14,000 based on exchange rates as of December 31, 2018), respectively. The loan accrues interest at a rate of 2.5% per annuum and is payable upon maturity of the loan on June 30, 2020. As part of Mr. Ford's termination agreement, the maturity date of the loan was extended to June 30, 2021 and the balance of the loan was partially offset by compensation owed to Mr. Ford in the amount of $488,466.85.

As part of the MPX Acquisition, we acquired the following significant related party balances:

- On February 5, 2019, related party receivables of $0.7 million were due from companies owned by Elizabeth Stavola, our former Chief Strategy Officer and member of our Board. As of December 31, 2019 and 2018, the balance of such receivables was $0.8 million and $nil, respectively.

- We assumed the Stavola Trust Note in the principal amount of $10.8 million, payable to the Elizabeth Stavola 2016 NV Irrevocable Trust. This trust is for the benefit of Elizabeth Stavola, our former Chief Strategy Officer and a former member of our Board. The note matures on January 19, 2020 and accrues interest at a rate of 8.0% per annum. Repayment of the note is secured by the assets of certain of our subsidiaries. As of December 31, 2019 and 2018, $10.8 million and $nil, respectively, was outstanding.

As a result of the CBD For Life acquisition on June 27, 2019:

- $0.1 million in cash was paid and 118,850 common shares (with a fair value of $0.4 million) were issued to an individual related through a familial relationship to Elizabeth Stavola;

- $1.5 million in cash was paid and 9,500 common shares are issuable to the Elizabeth Stavola 2016 NV Irrevocable Trust whose beneficiary is Elizabeth Stavola;

- 6,469 common shares (with a fair value of less than $0.1 million) were issued to two individuals that are related through a familial relationship to Elizabeth Stavola;

- 36,969 common shares (with a fair value of $0.1 million) were issued to Robert Galvin, our former director and current Interim Chief Operating Officer;

- We acquired a related party receivable of $0.8 million and related party payable of $0.5 million with CBD For Life. The balances for the receivable and payable were $nil and $nil, respectively, as of December 31, 2019; and

- Elizabeth Stavola, our former Chief Strategy Officer and former member of our Board of Directors, was also the Chief Executive Officer of CBD For Life. As part of the acquisition of CBD, Elizabeth Stavola received 1,967,686 common shares of iAnthus through a trust that she controlled.

On August 26, 2019, iAnthus New Jersey, LLC ("INJ") entered into a financing, leasing, licensing and services agreement with MPX NJ, which remains subject to regulatory approval by the New Jersey Department of Health (the "NJ Agreement") pursuant to which INJ will provide MPX NJ with financial planning services, vendor management services, regulatory guidance and financing for working capital, among other services. Pursuant to the terms of the NJ Agreement, on October 8, 2019, INJ entered into a loan agreement (the "Loan Agreement") with MPX NJ pursuant to which INJ shall loan to MPX NJ, from time to time, up to an aggregate of $10 million, which may be increased by unlimited $1 million tranches, subject to certain conditions. Furthermore, INJ may advance up to an additional $5 million to MPX NJ in its sole discretion. Outstanding loans shall mature on December 31, 2021 and bear interest at a rate of 16% per year, subject to adjustment in the event of default. In connection with the Loan Agreement, on October 16, 2019, INJ issued MPX NJ a convertible promissory note in the principal amount of up to $10 million. The principal amount of such note together with any interest accrued thereon is convertible into such number of Class A units of MPX NJ equal to a 99% equity interest in MPX NJ on a fully diluted basis. In addition, on October 24, 2019, INJ entered into an option agreement with MPX NJ pursuant to which INJ acquired an option to acquire all of the units of MPX NJ for $1,000. The option agreement may be terminated by either MPX NJ or INJ if the option is not exercised by INJ by the time the Exercise Period expires. "Exercise Period" means the period commencing on the date on which INJ elects to convert the entire outstanding principal amount under the Loan Agreement together with interest accrued thereon and ending on such date that is 45 days after the date upon which INJ makes such election. Elizabeth Stavola, our former Chief Strategy Officer and former member of our Board is the Chief Executive Officer and member of the Board of MPX NJ. As of December 31, 2019, the outstanding balance of the facility including accrued interest was $670,309.

Our former Chief Executive Officer's sister is the Vermont Advisor Executive to ICM. As of December 31, 2019 and 2018, we paid her $140,410 and $157,319, respectively.

During the years ended December 31, 2018 and 2019, Gotham Green Partners ("GGP") and Parallax Master Fund, LP invested an aggregate amount of $56.2 million and $15.0 million respectively, through the purchase of Secured Convertible Notes. As of December 31, 2019 the outstanding balance of the Secured Convertible Notes was $97.5 million (December 31, 2018 - $40.0 million).

During the year ended December 31, 2019, Hi-Med invested $5,000,000 through the purchase of Unsecured Convertible Debentures. As of December 31, 2019, the outstanding balance of the Unsecured Convertible Debentures was $60.0 million.

Independence of the Board of Directors

Our Board of Directors is comprised of Randy Maslow, Robert M. Whelan Jr., Michael P. Muldowney and Diane M. Ellis, of which all members except Randy Maslow are deemed to be independent within the meaning of the CSE Guide and applicable Canadian regulations. In addition, although our common shares are not listed on any U.S. national securities exchange, for purposes of independence we use the definition of independence applied by The Nasdaq Stock Market to determine which directors are "independent" in accordance with such definition.

ITEM 8. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth herein, we are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Roberts Matter

In October 2018, certain individuals and trusts filed two separate but similar declaratory judgment actions in the Circuit Court of Palm Beach County, Florida against GrowHealthy Holdings, LLC ("GHH") and the Company in connection with the acquisition of substantially all of GHH's assets by the Company in early 2018. The plaintiffs' declaratory judgment actions sought to force the Company to release Company shares that were to be distributed to the plaintiffs as shareholders of GHH as consideration for the GHH acquisition. The plaintiffs originally sought a court order directing that the shares be distributed to them without requiring them to deliver a signed Shareholder Representative Agreement, which was a condition to receiving the shares and required by the acquisition agreements between GHH and the Company. In January 2019, the Circuit Court of Palm Beach County denied the plaintiffs' motion for injunctive relief, and the plaintiffs signed and delivered the Shareholder Representative Agreements to GHH while reserving their rights to continue challenging the need for and enforceability of the Shareholder Representative Agreement. The plaintiffs thereafter amended their complaints to seek monetary damages in the aggregate amount of $22 million plus treble damages. On May 21, 2019, the court issued an interlocutory order directing the Company to deliver the share certificates to the plaintiffs, which the Company delivered on June 17, 2019 in accordance with the court's order. On December 19, 2019, the Company appealed the court's order directing delivery of the share certificates to the Florida Fourth District Court of Appeal, which appeal was denied per curiam. On October 21, 2019, the plaintiffs were granted leave by the Circuit Court to amend their complaints in order to add purported claims for civil theft and punitive damages, and on November 22, 2019, the Company moved to dismiss the plaintiffs' amended complaints. On May 1, 2020, the court heard arguments on the motions to dismiss, and on June 11, 2020, the court issued a written order granting in part and denying in part the Company's motion to dismiss. Specifically, the order denied the Company's motion to dismiss for lack of jurisdiction and improper venue; however, the court granted the Company's motion to dismiss the plaintiffs' claims for specific performance, conversion and civil theft without prejudice. With respect to the claim for conversion and civil theft, the court provided the plaintiffs with leave to amend their respective complaints. On July 10, 2020, the plaintiffs filed further amended complaints in each action against the Company including claims for conversion, breach of contract and civil theft including damages in the aggregate amount of $22 million dollars plus treble damages, and on August 13, 2020, the Company filed a consolidated motion to dismiss such amended complaints. On October 26, 2020, the court heard argument on the consolidated motion to dismiss. The court denied the motion and entered an order to that effect on October 28, 2020. Answers on both actions were filed on November 20, 2020.

Walmer Matter

On May 29, 2019, Walmer Capital Limited ("Walmer") and Island Investments Holdings Limited ("Island") filed a statement of claim in the Ontario Superior Court of Justice against MPX. The claim arose from the debentures (the "MPX Debentures") issued by MPX Bioceutical Corporation ("MPX Corporation") in May 2018, the majority of which debentures were redeemed on April 24, 2019 by MPX, a wholly-owned subsidiary of the Company and the successor entity to MPX Corporation following the MPX Acquisition. MPX withheld the redemption of approximately $1,250,000 of the original subscription amount of the MPX Debentures as MPX was unable to confirm valid payment of such debentures (the "Disputed Debentures"). The plaintiffs' statement of claim alleged that the plaintiffs were entitled to the Disputed Debentures and sought immediate conversion of such debentures into the Company's common shares. In addition, the plaintiffs sought damages including, but not limited to, for breach of the Disputed Debentures and related indenture in the amount of $111,000,000 and breach of a security subordination agreement in the amount of $3,500,000. On July 2, 2019, Walmer, Island, Walmer's principal, Alastair Crawford ("Crawford"), Broughton Limited ("Broughton") and Puddles 8 Limited ("Puddles") filed a petition in British Columbia against the Company and its then directors based on the same facts as alleged in the statement of claim filed by Walmer and Island in the Ontario Superior Court of Justice and seeking a declaration that the respondents engaged in oppressive or unfairly prejudicial conduct and resulting damages. In September 2019, the parties to the Ontario action and the British Columbia petition agreed to consolidate the two proceedings into one action that addresses all issues in British Columbia petition and agreed to discontinue the separate proceedings. On August 23, 2019, Walmer, Island, Crawford, Broughton and Puddles filed a notice of civil claim in the Supreme Court of British Columbia against MPX, the Company and its then directors consolidating the allegations made in the previously commenced Ontario action and British Columbia petition and seeking, among other things: (i) a mandatory order compelling MPX and the Company to convert the Disputed Debentures into common shares of the Company; (ii) damages for breach of the Disputed Debentures (and indentures) and breach of fiduciary obligations in the amount of $111,000,000; (iii) damages for breach of a security subordination agreement in the amount of $3,500,000; (iv) damages for breach of a consultancy agreement in the amount of $440,000 plus $150,000 plus certain warrants; and (v) damages for breach of the duty of good faith in the amount of $1,000,000. On October 31, 2019, the Company and MPX served the plaintiffs with a response and counterclaim. On December 3, 2019, the plaintiffs served (i) a notice of application seeking an order to strike the Company's and MPX's counterclaim against Timothy Childs, Island's principal, in his personal capacity, on the basis that it alleges no cause of action against him and (ii) a notice of application for summary judgment. On February 11, 2020, the Company's directors filed a defense to the plaintiffs' claim with the Supreme Court of British Columbia.

Oasis Matter

On February 27, 2020, the Company filed a statement of claim in the Ontario Superior Court of Justice against Oasis Investments II Master Fund Ltd. ("Oasis"), which provided unsecured debt financing in the amount of $25,000,000 to the Company pursuant to a debenture purchase agreement executed on March 15, 2019 (the "DPA"). The debentures issued to Oasis are governed by the terms set forth in the debenture certificate issued to Oasis pursuant to the DPA (the "Certificate"). The DPA and Certificate preserve the Company's right to incur additional secured debt provided that such secured debt meets certain criteria or falls below a threshold. In accordance with the DPA and Certificate, the Company subsequently incurred additional secured debt on September 30, 2020 and December 30, 2020 (collectively, the "Secured Debt Financing"). Following the Secured Debt Financing, Oasis sent demand letters to the Company alleging that the Company breached the DPA and Certificate and demanding that the Company share these demand letters with its Board of Directors. Oasis also contacted one of the Company's unsecured lenders alleging that the Company had not complied with its obligations under the DPA and Certificate. The Company's statement of claim alleges that these communications constituted defamation and the tort of injurious falsehood and sought a declaration that it is not in breach of the DPA or Certificate, an injunction precluding Oasis from making further false or misleading statements about the Company and, damages including, but not limited to, $34,283,954 and punitive damages of $250,000. On March 13, 2020, Oasis filed a statement of defense and counterclaim against the Company alleging that the Secured Debt Financing did not meet the criteria required by the DPA and Certificate and seeking a declaration that the Company is in breach of its obligations under the DPA and Certificate and acted in a manner that is oppressive and unfairly prejudicial and an order directing the Company to immediately repay Oasis its $25,000,000 investment plus applicable interest, expenses and fees, among other damages.

On July 13, 2020, in connection with the proposed Recapitalization Transaction, the Company agreed to discontinue, with prejudice, its claim against Oasis, and Oasis agreed not to take any steps in connection with its counterclaim against the Company while the Restructuring Support Agreement is in effect. In addition, the Company and Oasis have agreed that the counterclaim by Oasis will be dismissed as a condition of closing of the Recapitalization Transaction.

U.S. Shareholder Class Action

On April 20, 2020, a shareholder of the Company filed a putative class action against the Company, its former Chief Executive Officer, its current Chief Financial Officer and others in the United States District Court for the Southern District of New York seeking damages of an unspecified amount for alleged false and misleading statements regarding certain proceeds from the issuance of long-term debt that were held in escrow to make interest payments in the event of a default thereof. On May 5, 2020, another shareholder of the Company filed a putative class action against the same defendants alleging substantially similar causes of action. On June 16, 2020, four separate motions for consolidation, appointment as lead plaintiff, and approval of lead counsel were filed. On July 9, 2020, the court issued an order consolidating the various class actions complaints along with U.S. Hi-Med Matter (as set forth below) and appointed a lead plaintiff and lead counsel. On July 23, 2020, the parties filed a stipulation and proposed scheduling and coordination order to coordinate the pleadings for the consolidated actions. On September 4, 2020, the lead plaintiff filed a consolidated amended class action complaint. On October 14, 2020, the court issued a stipulation and scheduling and coordination order, which requires that the defendants answer, move, or otherwise respond to the amended complaints no later than November 20, 2020. On November 20, 2020, the Company filed a motion to dismiss the amended class action complaint.

U.S. Hi-Med Matter

On April 19, 2020, Hi-Med LLC ("Hi-Med"), an equity holder and a holder of an Unsecured Convertible Debenture in the principal amount of $5,000,000 filed a complaint in the United States District Court for the Southern District of New York against the Company, certain of the Company's current and former directors and officers and other defendants. Hi-Med is seeking damages of an unspecified amount and the full principal amount of the Unsecured Convertible Debenture against the Company, for among other things, alleged breaches of provisions of the Unsecured Convertible Debentures and the related debenture purchase agreement as well as alleged violations of Federal securities laws, including Sections 10(b), 10b-5 and 20(a) of the Exchange Act and common law fraud relating to alleged false and misleading statements regarding certain proceeds from the issuance of long-term debt that were held in escrow to make interest payments in the event of a default thereof. On July 9, 2020, the court issued an order consolidating the class action matter with the shareholder class action referenced above. On July 23, 2020, the parties filed a stipulation and proposed scheduling and coordination order to coordinate the pleadings for the consolidated actions. On September 4, 2020, Hi-Med filed an amended complaint. On October 14, 2020, the court issued a stipulation and scheduling and coordination order, which requires that the defendants answer, move, or otherwise respond to the amended complaints no later than November 20, 2020. On November 20, 2020, the Company filed a motion to dismiss Hi-Med's amended complaint.

Canadian Hi-Med Matter

On June 29, 2020, Hi-Med filed a notice of claim in the Supreme Court of British Columbia against the Company, the Company's former Chief Executive Officer and current Chief Executive Officer and other defendants, alleging that the defendants made materially false and misleading statements regarding certain proceeds from the issuance of long-term debt that were held in escrow to make interest payments in the event of a default thereof constituting oppression and seeking remedies including, but not limited to, repayment of Hi-Med's Unsecured Convertible Debentures and damages of an unspecified amount.

Canadian Shareholder Class Action Lawsuit – July 2020

On July 23, 2020, Blue Sky Realty Corporation filed a putative class action against the Company and its former Chief Executive Officer and current Chief Financial Officer in the Ontario Superior Court of Justice alleging misrepresentations in the Company's documents filed with the Canadian Securities Administrators on the System for Electronic Document Analysis and Retrieval, known as SEDAR, and common law secondary marketing negligent misrepresentation. The plaintiff seeks to certify the proposed class action on behalf of all persons, other than any executive level employee of the Company and their immediate families, who acquired the Company's common shares in the secondary market on or after May 30, 2019, and who held some or all of those securities until after the close of trading on April 5, 2020. The plaintiff alleges statutory and common law misrepresentation and seeks an unspecified amount of damages together with interest and costs.

Plan of Arrangement

On July 13, 2020, the Company entered into the Restructuring Support Agreement with the Secured Lenders and the Consenting Unsecured Lenders to effectuate the proposed Recapitalization Transaction to be implemented by way of a court-approved Plan of Arrangement under the BCBCA. On October 5, 2020, the Plan of Arrangement was approved by the Supreme Court of British Columbia, subject to the receipt of all necessary regulatory and stock exchange approvals. On November 3, 2020, Walmer Capital Limited, Island Investments Holdings Limited and Alastair Crawford collectively served and filed a Notice of Appeal with respect to the court's approval of the Plan of Arrangement. See "Financial Restructuring" for additional information regarding the Recapitalization Transaction.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information. Our common shares trade in Canada on the Canadian Securities Exchange under the trading symbol "IAN." Our common shares are also traded over-the-counter in the United States on the OTC Pink Tier of the OTC Market Group, Inc. under the trading symbol "ITHUF." Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions.

Shareholders. We had approximately 221 shareholders of record as of September 30, 2020. This does not include shares held in the name of a broker, bank or other nominees (typically referred to as being held in "street name").

Dividends. We have not declared or paid any cash or stock dividends on our common shares since our inception and do not anticipate declaring or paying any cash or stock dividends in the foreseeable future. We are restricted from making distributions or dividend payments to us pursuant to loan agreements.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES.

2020

On March 2, 2020, the Company issued an aggregate of 75,000 common shares to consultants for services rendered.

On April 1, 2020, the Company granted options purchase up to 135,000 common shares to newly hired employees and consultants at an exercise price of $0.82 per share.

2019

From January 2019 through August 2019, the Company issued an aggregate of 156,008 common shares upon the cashless exercise of options.

From January 2019 through June 2019, the Company issued an aggregate of 3,560,581 common shares upon the cash exercise of warrants for gross proceeds of C$12,593,977.

On February 5, 2019, the Company issued 75,795,208 common shares in consideration for the MPX Acquisition. In addition, on February 5, 2019, the Company issued 170,000 common shares in consideration for services rendered by a broker with respect to the MPX Acquisition.

On February 5, 2019, in connection with the MPX Acquisition, the Company assumed a long-term note in the principal amount of $10.8 million.

In February 2019, the Company issued an aggregate of 1,154,370 common shares upon the cash exercise of options for gross proceeds of C$3,300,032.

On February 13, 2019, the Company issued 850,000 common shares in connection with the settlement of an outstanding lawsuit. In March 2019, the Company returned 66,643 common shares to treasury in connection with the same settlement of an outstanding lawsuit.

In March 2019, the Company issued an aggregate of 1,412,161 common shares upon the cash exercise of options for gross proceeds of C$1,746,992.

On March 18, 2019, the Company issued units consisting of $35 million of Unsecured Convertible Debenture and warrants to purchase up to 2,177,291 common shares of the Company.

From March 18, 2019 through April 30, 2019, the Company issued an aggregate of 132,148 common shares for finder's fees.

Prior to the acquisition of MPX, MPX issued original issuance discount debentures in the principal amount of $40.0 million. As a result of the MPX Acquisition, from March 2019 through April 2019, the Company issued an aggregate of 11,617,044 common shares upon the conversion of the outstanding loan. In addition, from March 2019 to April 2019, the Company issued warrants to purchase up to 5,808,517 common shares at an exercise price of C$6.04 per share as a result of early conversion of the original issue discount debentures.

In April 2019, the Company issued an aggregate of 87,832 Common Shares upon the cash exercise of options for gross proceeds of C$451,457.

On April 10, 2019 and April 15, 2019, the Company issued an aggregate of 88,224 Class A shares upon the cashless exercise of options.

On May 2, 2019, the Company issued Unsecured Convertible Debentures in the aggregate principal amount of $25 million together with warrants to purchase 1,555,207 common shares of the Company.

In June 2019, the Company issued 2,452,681 common shares in consideration for the acquisition of CBD For Life of which 9,500 common shares were returned to treasury in July 2019.

On July 30, 2019, the Company issued 35,399 common shares in consideration for the acquisition of Citiva.

On August 23, 2019 and September 11, 2019, the Company issued an aggregate of 15,528,928 common shares upon the conversion of an equal number of Class A Convertible Restricted Voting Stock, without par value (the "Class A Shares").

In August and October 2019, the Company issued an aggregate of 75,125 common shares for services rendered.

On September 30, 2019, the Company issued Secured Convertible Notes in the aggregate principal amount of $20 million together with warrants to purchase 5,076,142 common shares.

On December 20, 2019, the Company issued Secured Convertible Notes in the aggregate principal amount of $36.2 million together with warrants to purchase 10,792,508 common shares.

2018

On January 17, 2018, the Company issued 12,103,172 common shares in consideration for the acquisition of GrowHealthy.

On January 17, 2018, the Company issued debentures in the principal amount of $20 million together with warrants to purchase up to 10,036,130 common shares of the Company.

From January 2018 through March 2018 and from July 2018 to August 2018, the Company issued an aggregate of 40,440 common shares for the settlement of accrued interest.

From January 2018 through August 2018, the Company issued an aggregate of 7,074,837 common shares upon the conversion of outstanding debentures and promissory notes.

From January 2018 through November 2018, the Company issued an aggregate of 1,334,559 common shares upon the cash exercise of warrants for gross proceeds of C$2,533,642.

On February 1, 2018, the Company issued 1,977,563 Class A shares in consideration for the acquisition of Citiva.

On February 1, 2018, the Company issued 1,146,428 common shares in consideration for the acquisition of Citiva.

On April 2, 2018, the Company issued 100,000 common shares upon the cash exercise of options for gross proceeds of C$150,000.

On April 10, 2018, the Company issued 56,819 common shares in consideration for the acquisition of FWR.

On April 10, 2018, the Company issued 160,000 common shares to a broker in consideration for services rendered with respect to the acquisition of Citiva.

On April 17, 2018, the Company issued 1,655,734 common shares for partial consideration for the acquisition of Pilgrim.

On May 3, 2018 and November 7, 2018, the Company issued 1,449,068 common shares in consideration for the acquisition of Citiva.

On May 3, 2018, the Company deposited 286,193 common shares into escrow to be distributed upon the occurrence of certain milestones relating to the acquisition of Citiva. As of September 30, 2020, all common shares have been distributed from escrow.

On May 14, 2018, the Company issued 3,891,051 Class A Shares and warrants to purchase 3,891,051 Class A shares for gross proceeds of $10 million.

On May 14, 2018, the Company issued Secured Convertible Notes in the aggregate principal amount of $40 million together with warrants to purchase 6,670,372 common shares. Concurrent with the issuance of the Secured Convertible Notes, the Company issued $10 million in units, or 3,891,051 units, with each unit consisting of one Class A common share and a warrant to purchase one Class A common share.

On June 26, 2018, the Company issued an aggregate of 65,900 common shares for services rendered by consultants.

On June 25, 2018 and July 27, 2018, the Company issued an aggregate of 230,000 common shares upon the conversion of Class A Shares.

In July and August 2018, the Company issued an aggregate of 12,500 common shares upon the cash exercise of stock options for gross proceeds of C$29,050.

On September 28, 2018 and October 23, 2018, the Company issued an aggregate of 1,452,910 common shares upon the conversion of Class A Shares.

On October 9, 2018 and November 21, 2018, the Company issued an aggregate of 27,547 common shares upon the cashless exercise of options.

On October 10, 2018, the Company sold an aggregate of 5,188,800 Common Shares for gross proceeds of C$34,505,520.

All sales to U.S. persons in each of the transactions set forth above were issued relying on Section 4(a)(2) of the Securities Act and/or Rule 506 promulgated thereunder.

All sales to non U.S. persons in each of the transactions set forth above were issued relying on Regulation S.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED.

The following description of our capital stock is a summary only and is qualified in its entirety by reference to our Articles which is included as Exhibit 3.1 to this registration statement.

Authorized/Issued Capital

Our authorized share capital consists of an unlimited number of common shares without par value. As of September 30, 2020, 171,718,192 common shares were issued and outstanding.

Common Shares

Each common share carries the right to attend and vote at all general meetings of shareholders. Holders of the Company's common shares are entitled to dividends, if any, as and when declared by the Board and to one vote per common share at meetings of shareholders. In addition, upon liquidation, dissolution or winding-up of the Company, holders of common shares may share, on a pro rata basis, the remaining assets of the Company as are distributable to holders of common shares of the Company. The Company may, subject to certain exceptions, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the Board of Directors. The Company's common shares are not subject to call or assessment rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

Options

Our Amended and Restated Omnibus Incentive Plan dated October 15, 2018 provides for us to issue common shares, or to grant incentive stock options or nonqualified stock options, stock appreciation rights and restricted stock and restricted stock unit awards to employees, officers, members of the Board and consultants. As of September 30, 2020, there were options to purchase up to 13,268,567 common shares outstanding at a weighted average exercise price of C$4.28 per share.

Warrants

As of September 30, 2020, there were warrants to purchase up to 49,236,082 common shares of our stock outstanding at a weighted average exercise price of C$4.14 per share.

Transfer Agent and Registrar

Our transfer agent and registrar is Computershare Investor Services Inc. whose address is 100 University Avenue, 8th Floor, Toronto, ON M5J 2Y1

Listing

Our common shares, no par value, are listed on the Canadian Securities Exchange under the symbol "IAN" and quoted on the OTC Pink Tier of the OTC Markets Group, Inc. under the symbol "ITHUF."

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Business Corporations Act (British Columbia)

The Company is subject to the provisions of Part 5, Division 5 of the BCBCA.

Under Section 160 of the BCBCA, the Company may, subject to Section 163 of the BCBCA:

(a) indemnify an individual who:

(i) is or was a director or officer of the Company,

(ii) is or was a director or officer of another corporation (A) at a time when the corporation is or was an affiliate of the Company; or (B) at our request, or

(iii) at our request of the Company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity,

including, subject to certain limited exceptions, the heirs and personal or other legal representatives of that individual (collectively, an "eligible party"), against all eligible penalties, defined below, to which the eligible party is or may be liable; and

(b) after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, where:

(i) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding,

(ii) "eligible proceeding" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation (A) is or may be joined as a party, or (B) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding,

(iii) "expenses" includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding, and

(iv) "proceeding" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Under Section 161 of the BCBCA, and subject to Section 163 of the BCBCA, the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding if the eligible party (a) has not been reimbursed for those expenses and (b) is wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding.

Under Section 162 of the BCBCA, and subject to Section 163 of the BCBCA, the Company may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of the proceeding, provided that the Company must not make such payments unless the Company first receives from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited under Section 163 of the BCBCA, the eligible party will repay the amounts advanced.

Under Section 163 of the BCBCA, the Company must not indemnify an eligible party against eligible penalties to which the eligible party is or may be liable or pay the expenses of an eligible party in respect of that proceeding under Sections 160(b), 161 or 162 of the BCBCA, as the case may be, if any of the following circumstances apply:

(a) if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, the Company was prohibited from giving the indemnity or paying the expenses by its memorandum or Articles;

(b) if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, the Company is prohibited from giving the indemnity or paying the expenses by its memorandum or Articles;

(c) if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of the Company or the associated corporation, as the case may be; or

(d) in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

If an eligible proceeding is brought against an eligible party by or on behalf of the Company or by or on behalf of an associated corporation, we must not either indemnify the eligible party under Section 160(a) of the BCBCA against eligible penalties to which the eligible party is or may be liable, or pay the expenses of the eligible party under Sections 160(b), 161 or 162 of the BCBCA, as the case may be, in respect of the proceeding.

Under Section 164 of the BCBCA, and despite any other provision of Part 5, Division 5 of the BCBCA and whether or not payment of expenses or indemnification has been sought, authorized or declined under Part 5, Division 5 of the BCBCA, on application of the Company or an eligible party, the court may do one or more of the following:

(a) order the Company to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;

(b) order the Company to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;

(c) order the enforcement of, or any payment under, an agreement of indemnification entered into by the Company;

(d) order the Company to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under Section 164 of the BCBCA; or

(e) make any other order the court considers appropriate.

Section 165 of the BCBCA provides that the Company may purchase and maintain insurance for the benefit of an eligible party or the heirs and personal or other legal representatives of the eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation.

Company's Articles

Under Part 21.2 of our Articles, and subject to the BCBCA, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in the Company's Articles.

Under Part 21.3 of the Company's Articles, and subject to any restrictions in the BCBCA, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

Under Part 21.4 of the Company's Articles, the Company may advance expenses to an eligible party to the extent permitted by the BCBCA.

Under Part 21.5 of the Company's Articles, the failure of an eligible party of the Company to comply with the BCBCA or the Company's Articles does not, of itself, invalidate any indemnity to which he or she is entitled under the Company's Articles.

Under Part 21.6 of the Company's Articles, the Company may purchase and maintain insurance for the benefit of any eligible party person (or his or her heirs or legal personal representatives) against any liability incurred by him or her as such director, officer or person who holds or held such equivalent position.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The financial statements of iAnthus Capital Holdings, Inc. appear at the end of this report beginning with the Index to Financial Statements on page F-1.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

On August 10, 2018, the Company's audit committee and Board of Directors approved the appointment of Marcum LLP ("Marcum") as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018, replacing BDO Canada LLP ("BDO").

During the Company's two most recent fiscal years and subsequent interim period before the termination of BDO as certifying accountant, the reports on the Company's financial statements by BDO for both years did not contain any adverse opinion or disclaimer of opinion, nor was either report qualified or modified as to uncertainty, audit scope, or accounting principles; nor was there any disagreement between the Company and BDO on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of BDO, would have caused BDO to make reference to the subject matter of the disagreement in connection with its report issued in connection its audit of the Company's financial statement for those years.

Further, there were no reportable events (as described under Item 304(a)(1)(v)(A)-(D) of Regulation S-K) for the Company within the last two fiscal years nor subsequently up to the date of the termination of BDO.

During the two most recent fiscal years and the subsequent period through the appointment of Marcum, the Company did not consult with Marcum regarding any of the matters set forth in Item 304(a)(2)(i) or (ii) of Regulation S-K.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS.

(a) List of all financial statements filed as part of the registration statement.

Index to the Consolidated Financial Statements

(b) Exhibits

The following documents are included as exhibits to this report.

Exhibit No.	Title of Document
3.1*	Articles of iAnthus Capital Holdings, Inc.
10.1*+	Amended and Restated Omnibus Incentive Plan Dated October 15, 2018
10.2*+	Second Amended and Restated Secured Debenture Purchase Agreement dated July 10, 2020 by and among iAnthus Capital Holdings, Inc., iAnthus Capital Management, LLC, the lenders a party thereto, the credit parties a party thereto and Gotham Green Admin 1, LLC, as collateral agent
10.3*+	Employment Agreement between the Company and Julius Kalcevich
10.4*+	First Amendment to Employment Agreement between the Company and Julius Kalcevich
10.5*+	Employment Agreement among iAnthus Capital Management, LLC including the Company and all of its subsidiaries and Randy Maslow
10.6*+	First Amendment to Employment Agreement between the Company and Randy Maslow
10.7*#	Restructuring Support Agreement dated July 10, 2020 by and among iAnthus Capital Holdings, Inc., each of the subsidiaries a party thereto, each lender a party thereto and each consenting debenture holder a party thereto
10.8*	Form of Warrant for March and May 2019 Private Placements
10.9*	Form of Warrant for May 2018 and September and December 2019 Private Placements
10.10*	Form of Warrant for MPX Private Placement dated January 19, 2017
10.11*	Form of Warrant for MPX October 2017 and January 2020 Private Placements
10.12*	Form of Warrant for MPX Private Placement dated March 2, 2018
10.13*	Form of Warrant for MPX Private Placement dated December 20, 2018
10.14*	Form of Warrant for MPX June 2018 and January 2019 Private Placements
10.15*	Form of Warrant for MPX Private Placement dated January 4, 2019
10.16*	Form of Warrant for MPX Private Placement dated January 17, 2018
21.1*	Subsidiaries

* Filed herewith.
\+ Management contract or compensatory plan or arrangement.
\# Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit were omitted by means of marking such portions with an asterisk because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement on Amendment No. 2 to Form 10 to be signed on its behalf by the undersigned, thereunto duly authorized.

IANTHUS CAPITAL HOLDINGS, INC.

Dated: December 8, 2020

By: /s/ Randy Maslow
Randy Maslow
Interim Chief Executive Officer

Index to the Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
iAnthus Capital Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of iAnthus Capital Holdings, Inc. (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, shareholder's equity and cash flows for each of the two years in the period ended December 31, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Adoption of New Accounting Standard

As discussed in Note 2 to the consolidated financial statements, the Company has changed its method of accounting for leases in 2019 due to the adoption of the guidance in ASC Topic 842, Leases ("Topic 842"), as amended, effective January 1, 2019, using the modified retrospective approach.

/s/ Marcum llp

Marcum llp

We have served as the Company's auditor since 2018.

New York, NY
December 8, 2020

iANTHUS CAPITAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except share amounts)

	As of December 31,	
	2019	**2018**
Assets		
Cash	$ 34,821	$ 15,295
Restricted cash	-	5,272
Accounts receivable, net of allowance for doubtful accounts of $113 (December 31, 2018 □ $Nil)	5,269	1,516
Prepaid expenses	3,174	2,985
Inventories	13,238	9,327
Other assets	2,732	629
Current Assets	**$ 59,234**	**$ 35,024**
Investments	$ 2,536	2,380
Notes receivable	316	252
Property, plant and equipment	107,594	29,578
Right-of-use assets	26,558	-
Other long-term assets	2,682	234
Other intangible assets	177,590	56,493
Goodwill	201,014	37,454
Total Assets	**$ 577,524**	**$ 161,415**
Liabilities		
Accounts payable	$ 16,267	$ 5,761
Accrued and other liabilities	8,439	1,204
Current portion of long-term debt	10,848	-
Derivative liabilities	1,671	1,255
Current portion of lease liabilities	5,328	-
Current Liabilities	**$ 42,553**	**$ 8,220**
Long-term debt, net of issuance costs	131,204	20,363
Deferred income tax	38,338	16,005
Long-term lease liabilities	19,933	-
Total Liabilities	**$ 232,028**	**$ 44,588**
Commitments and Contingencies		
Shareholders' Equity:		
Common shares □ no par value. Authorized □ unlimited number. 171,643,192 □ issued and outstanding (December 31, 2018 □ 58,722,261 □ issued and outstanding)	-	-
Class A shares no par value. None authorized, issued or outstanding. (December 31, 2018: Authorized □ unlimited number, 15,440,704 □ issued and outstanding)	-	-
Shares to be issued	1,531	2,130
Additional paid-in capital	761,722	218,919
Accumulated deficit	(417,757)	(104,222)
Total Shareholders' Equity	**$ 345,496**	**$ 116,827**
Total Liabilities and Shareholders' Equity	**$ 577,524**	**$ 161,415**

The accompanying notes are an integral part of these consolidated financial statements.

iANTHUS CAPITAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except share and per share amounts)

	Years Ended December 31,	
	2019	**2018**
Revenues	**78,382**	**3,405**
Costs and expenses applicable to revenues	**(59,280)**	**(790)**
Gross margin	**19,102**	**2,615**
Operating expenses:		
Selling, general and administrative expenses	102,191	38,937
Amortization of intangibles	14,218	3,892
Write-downs and other charges	1,352	440
Impairment loss	234,284	-
Loss from operations	**(332,943)**	**(40,654)**
Interest Income	74	567
Other income	392	514
Interest expense	(10,604)	(4,794)
Accretion expense	(13,369)	(21,274)
Loss on debt extinguishment	-	(4,885)
Amortization of debit issuance costs	-	(151)
Gain (loss) from change in fair value of financial instruments	36,476	(13,795)
Other gains (losses)	(627)	-
Loss from operations before income taxes and income from equity-accounted investments	**(320,601)**	**(84,472)**
Recovery for income taxes	7,992	1,872
Income from equity-method investments, net of tax	245	134
Net loss	**$ (312,364)**	**$ (82,466)**
Net loss per share - basic and diluted	**$ (1.97)**	**$ (1.29)**
Weighted average common shares outstanding:		
Basic and diluted	**158,214,225**	**63,858,945**

The accompanying notes are an integral part of these consolidated financial statements.

iANTHUS CAPITAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars, except share amounts)

	Number of Shares (Common)	Number of Shares (Class A)	Capital Stock	Shares to be Issued	Additional Paid-in-Capital	Shareholders' Equity	
Balance – January 1, 2018	**26,337,355**	**11,255,000**	**$ -**	**$ 113**	**$ 45,911**	**$ (21,756)**	**$ 24,268**
Share Issuance – Acquisition of Florida Entities	12,103,172	-	-	-	38,393	-	38,393
Share Issuance – Acquisition of Citiva	3,041,689	1,977,563	-	2,130	18,207	-	20,337
Share Issuance – Acquisition of Mayflower and Pilgrim	1,655,734	-	-	-	4,000	-	4,000
Share Issuance – Acquisition of FWR and Pakalolo	56,819	-	-	(113)	113	-	-
Share Issuance – May 2018 Equity Financing	-	3,891,051	-	-	29,608	-	29,608
Share Issuance – October 2018 Equity Financing	5,188,800	-	-	-	26,558	-	26,558
Share Issuance – Settlement of February 2017 Debentures	6,173,938	-	-	-	25,287	-	25,287
Share Issuance – Settlement of Promissory Notes	773,579	-	-	-	4,816	-	4,816
Share Issuance – Settlement of Interest Payable	40,440	-	-	-	91	-	91
Share Issuance – Settlement of Outstanding Obligations	65,900	-	-	-	349	-	349
Share Issuance Costs	-	-	-	-	(1,864)	-	(1,864)
Conversion of Class A Shares to Common Shares	1,682,910	(1,682,910)	-	-	-	-	-
Classification Change due to Change in Functional Currency	-	-	-	-	16,782	-	16,782
Share-based Compensation	-	-	-	-	6,788	-	6,788
Share Issuance – Exercise of stock options	140,046	-	-	-	126	-	126
Share Issuance – Exercise of warrants	1,461,879	-	-	-	3,754	-	3,754
Net loss	-	-	-	-	-	(82,466)	(82,466)
Balance – December 31, 2018	**58,722,261**	**15,440,704**	**$ -**	**$ 2,130**	**$ 218,919**	**$ (104,222)**	**$ 116,827**
Share Issuance – Acquisition of MPX	75,795,208	-	-	1,500	431,166	-	432,666
Share Issuance – Acquisition of CBD For Life	2,443,181	-	-	31	7,989	-	8,020
Share Issuance – Settlement of Acquisition-related Costs	170,000	-	-	-	904	-	904
Financing – March 2019 Debentures	116,600	-	-	-	5,167	-	5,167
Financing – May 2019 Debentures	15,548	-	-	-	2,698	-	2,698
Financing – Tranche Two Secured Notes	-	-	-	-	2,641	-	2,641
Financing – Tranche Three Secured Notes	-	-	-	-	5,101	-	5,101
Shares Issuance – Settlement of OID Loan	11,617,044	-	-	-	50,080	-	50,080
Share Issuance – Settlement of Outstanding Obligations	818,881	-	-	(2,130)	4,460	(1,278)	1,052
Share Issuance Costs	-	-	-	-	(558)	-	(558)
Share-based compensation	-	-	-	-	14,232	-	14,232
Share Issuance – Exercise of stock options	2,810,371	88,224	-	-	4,171	-	4,171
Share Issuance – Exercise of warrants	3,605,170	-	-	-	14,752	-	14,752
Conversion of Class A to Common Shares	15,528,928	(15,528,928)	-	-	-	-	-
Adoption of new accounting standards (ASC 842)	-	-	-	-	-	107	107
Net loss	-	-	-	-	-	(312,364)	(312,364)
Balance – December 31, 2019	**171,643,192**	**-**	**$ -**	**$ 1,531**	**$ 761,722**	**$ (417,757)**	**$ 345,496**

The accompanying notes are an integral part of these consolidated financial statements.

iANTHUS CAPITAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Years Ended December 31,	
	2019	**2018**
Cash used in:		
Operating activities		
Net loss	$ (312,364)	$ (82,466)
Adjustments to reconcile net loss to cash from operations:		
Interest income	(74)	(567)
Interest expense	10,604	4,794
Accretion expense	13,369	21,274
Write-downs and other charges	1,352	440
Impairment loss	234,284	-
Depreciation and amortization	22,489	6,349
Share-based compensation	14,232	7,129
Deferred income taxes	(12,283)	(2,340)
(Gain) loss from change in fair value of financial instruments	(36,476)	13,795
Income from equity-accounted investments	(245)	(134)
Unrealized foreign currency exchange (gain) loss	14	495
Loss on debt extinguishment	-	4,885
Amortization of debt issuance costs	-	151
Changes in working capital items (note 20)	8,207	(9,036)
Net cash used in operating activities	**$ (56,891)**	**$ (35,231)**
Investing activities:		
Purchase of property, plant and equipment	(49,337)	(13,549)
Acquisition of other intangible assets	(942)	(355)
Proceeds from sale of property, plant and equipment	311	-
Investment in new business ventures	(4,058)	(18,228)
Cash from new businesses acquisitions	3,153	20
Acquisition related costs	(5,817)	-
Investments in notes receivable	-	(231)
Proceeds from notes receivable	-	7,500
Interest received	-	1,248
Net cash used in investing activities	**$ (56,690)**	**$ (23,595)**
Financing activities		
Proceeds from issuance of debt	116,150	60,000
Debt issuance costs	(2,063)	(2,059)
Repayment of debt	(39)	(20,000)
Issuance of share capital	920	36,558
Share issuance costs	(558)	(1,864)
Exercise of warrants	9,387	2,656
Exercise of stock options	4,171	148
Net cash provided by financing activities	**$ 127,968**	**$ 75,439**
Effect of exchange rate changes on cash	(133)	(2,221)
Increase in cash and cash equivalents and restricted cash during year	**14,254**	14,392
Cash and restricted cash, beginning of year	20,567	6,175
Cash and restricted cash, end of year	**$ 34,821**	**$ 20,567**

The accompanying notes are an integral part of these consolidated financial statements

1 Description of Business

iAnthus Capital Holdings, Inc. ("ICH", or "iAnthus"), together with its consolidated subsidiaries (the "Company") is a leading vertically-integrated multi-state owner and operator of licensed cannabis cultivation, processing and dispensary facilities, and developer, producer and distributor of innovative branded cannabis and cannabidiol ("CBD") products in the United States. Through the Company's subsidiaries, licenses, interests and contractual arrangements, the Company has the capacity to operate dispensaries and cultivation/processing facilities, and manufacture and distribute cannabis across the states in which the Company operates in the U.S. Additionally, the Company distributes CBD products online and to retail locations across the United States.

The Company's registered office is located at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7, Canada. The Company is listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "IAN" and on the OTC Pink Tier, of the OTC Markets Group, Inc. under the symbol "ITHUF."

The Company's business activities, and the business activities of its subsidiaries, which operate in jurisdictions where the use of marijuana has been legalized under state and local laws, currently are illegal under U.S. federal law. The U.S. Controlled Substances Act classifies marijuana as a Schedule I controlled substance. Any proceeding that may be brought against the Company could have a material adverse effect on the Company's business plans, financial condition and results of operations.

2 Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements (the "financial statements") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These consolidated financial statements are presented in U.S. dollars. On May 14, 2018, as a result of a significant financing transaction, the primary source of financing changed from the Canadian dollar to the U.S. dollar, with the Company expecting to continue the majority of its fundraising in the U.S. dollar going forward. Therefore, the functional currency of the standalone ICH entity was changed to the U.S. dollar as of May 14, 2018. The functional currency of all of the Company's subsidiaries remains unchanged and is stated in the U.S. dollar.

The Company is an "emerging growth company," as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, as modified by the Jumpstart Our Business Start-ups Act of 2012, (the "JOBS Act"). Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 13(a) of the Securities Exchange Act of 1934, as amended, for complying with new or revised accounting standards applicable to public companies. An emerging growth company may delay the adoption of certain accounting standards until those standards would otherwise apply to non-public companies. The Company has elected to take advantage of this extended transition period and as a result, the Company's may not adopt new or revised accounting standards on effective dates as they are applicable to public companies.

(b) Going Concern

These consolidated financial statements have been prepared under the assumption that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. For the year ended December 31, 2019, the Company reports a net loss of $312.4 million, operating cash outflows of $56.9 million and an accumulated deficit of $417.8 million as of December 31, 2019, including an impairment loss of its goodwill balance of $234.3 million. These material circumstances cast substantial doubt on the Company's ability to continue as a going concern for a period at least twelve months from the date of this report and ultimately on the appropriateness of the use of the accounting principles applicable to a going concern.

Subsequent to December 31, 2019, due to liquidity constraints experienced by the Company, the Company did not make interest payments due to the holders of the Company's Secured Notes (as defined below) and Unsecured Notes (as defined below) (together, the "Lenders") on March 31, 2020. This non-payment of interest triggered an event of default with respect to the Company's long-term debt. As a result, the Board formed a special committee comprising of five independent, non-management directors of the Company (the "Special Committee") to, among other matters, explore and consider strategic alternatives available to the Company in light of the prospective liquidity requirements of the Company, the condition of the capital markets affecting companies in the cannabis industry, and the rapid change in the state of the economy and capital markets generally caused by the novel coronavirus known as COVID-19 ("COVID-19"), including but not limited to:

- renegotiation of existing financing arrangements and other material contracts, including any amendments, waivers, extensions or similar agreements with the Lenders to and/or stakeholders of the Company and/or its subsidiaries that the Special Committee determines are in the best interest of the Company and/or its subsidiaries;
- managing available sources of capital, including equity investments or debt financing or refinancing and the terms thereof;
- implementing the operational and financial restructuring of the Company and its subsidiaries and their respective businesses, assets and licensure and other rights; and
- implementing other potential strategic transactions.

The Special Committee engaged Canaccord Genuity Corp. as its financial advisor to assist the Special Committee in analyzing various strategic alternatives to address its capital structure and liquidity challenges.

On June 22, 2020, the Company received notice from Gotham Green Admin 1, LLC (the "Collateral Agent"), as collateral agent holding security for the benefit of the holders of the Company's Secured Notes, with a demand for repayment (the "Demand Letter") under the Amended and Restated Secured Debenture Purchase Agreement dated October 10, 2019 (the "Purchase Agreement") of the entire principal amount of the Secured Notes, together with interest, fees, costs and other allowable charges that had accrued or might accrue in accordance with the Purchase Agreement and the other Transaction Agreements (as defined in the Purchase Agreement). The Collateral Agent also concurrently provided the Company with a Notice of Intention to Enforce Security (the "BIA Notice") under section 244 of the Bankruptcy and Insolvency Act (Canada) (the "BIA").

On July 10, 2020, the Company entered into the Restructuring Support Agreement (as defined below) to effect a proposed recapitalization transaction (the "Recapitalization Transaction") with some of its Lenders as more fully discussed in Note 17 as well as to provide interim financing of $14,737. In connection with the Recapitalization Transaction, the Company and certain of its subsidiaries have entered into a restructuring support agreement (the "Restructuring Support Agreement") with all of the holders (the "Secured Lenders") of the 13% senior secured convertible debentures (the "Secured Notes") issued by iAnthus Capital Management, LLC, the Company's U.S. wholly-owned subsidiary, and certain holders (the "Unsecured Debentureholders") of the 8% convertible unsecured debentures (the "Unsecured Debentures") issued by the Company.

Subject to compliance with the Restructuring Support Agreement, the Secured Lenders and initial consenting unsecured debentureholders will forbear from further exercising any rights or remedies in connection with any events of default of the Company now or hereafter occurring under their respective agreements and will stop any current or pending enforcement actions respecting same, including as set forth in the Demand Letter.

Pursuant to the terms of the Restructuring Support Agreement, the Recapitalization Transaction will be implemented pursuant to arrangement proceedings ("Arrangement Proceedings") commenced under the British Columbia Business Corporations Act, or, only if necessary, the Companies' Creditors Arrangement Act (Canada) ("CCAA"). Completion of the Recapitalization Transaction through the Arrangement Proceedings will be subject to, among other things, requisite stakeholder approval of the plan of arrangement (the "Plan of Arrangement"), as disclosed in the following paragraph.

On September 14, 2020, the Company held meetings during which the stakeholders approved the Plan of Arrangement. Following the stakeholder vote, on September 25, 2020, the Company attended a court hearing before the Supreme Court of British Columbia (the "Court") to receive approval of the Plan of Arrangement. The Court required the Company to revise its Plan of Arrangement to provide for a more narrow scope of release of claims. The Company amended and restated its Plan of Arrangement (the "Revised Plan") which was approved by the Court on October 5, 2020, subject to the receipt of all necessary regulatory and stock exchange approvals (the "Requisite Approvals"). Pursuant to the terms of the Restructuring Support Agreement, if the Recapitalization Transaction is completed through CCAA Proceedings, then the existing holders of the Company's common shares (the "Existing Shareholders") will not receive a recovery.

Although no assurances can be given, management of the Company believes that potential financing transactions as discussed above should provide the necessary funding for the Company to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

(c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company together with its consolidated subsidiaries, except for subsidiaries which the Company has identified as variable interest entities ("VIEs") where the Company is not the primary beneficiary.

The Company has evaluated its various variable interests to determine whether they are VIEs as required by the Consolidation Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC" or "Codification"). The Company has an investment in a company that is considered a VIE. The Company did not consolidate this entity since it does not have the power to direct activities and does not absorb the majority of the expected losses or expected residual returns. The Company equity accounts for this entity in accordance with FASB ASC Topic 323 *Investments – Equity Method and Joint Ventures* ("ASC 323"). A loss in value of an investment other than a temporary decline is recognized as a charge to the consolidated statements of operations. Refer to Note 7 for additional details on this investment.

The accounts of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. Intercompany accounts and transactions, including all unrealized intercompany gains or losses on transactions have been eliminated. The Company's subsidiaries and its interests in each are presented below as of December 31, 2019:

Name of Entity	Place of Incorporation	Interest
MPX Bioceutical ULC ("MPX ULC")[1]	Canada	100%
MPX Luxembourg SARL[1]	Luxembourg	100%
ABACA, LLC[1]	Arizona, USA	100%
Ambary, LLC[1]	Arizona, USA	100%
iAnthus Arizona, LLC	Arizona, USA	100%
Health For Life, Inc.[1]	Arizona, USA	100%
S8 Management, LLC[1]	Arizona, USA	100%
S8 Rental Services, LLC[1]	Arizona, USA	100%
Soothing Options, Inc.[1]	Arizona, USA	100%
The Healing Center Wellness Center, LLC[1]	Arizona, USA	100%
Bergamot Properties, LLC	Colorado, USA	100%
Scarlet Globemallow, LLC	Colorado, USA	100%
iAnthus Capital Management, LLC ("ICM")	Delaware, USA	100%
GHHIA Management, Inc. ("GHHIA")	Florida, USA	100%
GrowHealthy Properties, LLC ("GHP")	Florida, USA	100%
iAnthus Holdings Florida, LLC ("IHF")	Florida, USA	100%
McCrory's Sunny Hill Nursery, LLC ("McCrory's")	Florida, USA	100%
iA IT, LLC	Illinois, USA	100%
Budding Rose, Inc.[1]	Maryland, USA	100%
GreenMart of Maryland, LLC[1]	Maryland, USA	100%
LMS Wellness, Benefit, LLC[1]	Maryland, USA	100%
Rosebud Organics, Inc.[1]	Maryland, USA	100%
Cannatech Medicinals, Inc[1]	Massachusetts, USA	100%
Fall River Development Company, LLC[1]	Massachusetts, USA	100%
IMT, LLC[1]	Massachusetts, USA	100%
Mayflower Medicinals, Inc. ("Mayflower")	Massachusetts, USA	100%
Pilgrim Rock Management, LLC ("Pilgrim")	Massachusetts, USA	100%
CGX Life Sciences, Inc.[1]	Nevada, USA	100%
CinG-X Corporation of America[1]	Nevada, USA	100%
GreenMart of Nevada NLV, LLC[1]	Nevada, USA	100%
iAnthus Northern Nevada, LLC	Nevada, USA	100%
GTL Holdings, LLC	New Jersey, USA	100%
iA CBD, LLC ("iA CBD")	New Jersey, USA	100%
iAnthus New Jersey, LLC	New Jersey, USA	100%
Citiva Medical, LLC ("Citiva")	New York, USA	100%
iAnthus Empire Holdings, LLC ("IEH")	New York, USA	100%
FWR, Inc. ("FWR")	Vermont, USA	100%
Grassroots Vermont Management Services, LLC	Vermont, USA	100%
Pakalolo, LLC ("Pakalolo")	Vermont, USA	100%

(1) Entities acquired in the MPX Acquisition. Refer to Note 5(b) for discussion of acquisitions and of the Company's controlling interest in these subsidiaries.

During the fourth quarter of 2019, the Company dissolved S8 Industries, LLC, S8 Transportation, LLC, Tarmac Manufacturing, LLC, Tower Management Holdings, LLC, H4L Management East, LLC, and H4L Management North, LLC. These entities were acquired as part of the MPX Acquisition.

During the first quarter of 2018, the Company dissolved iAnthus Formation Corp. and iAnthus Transfer Corp. These entities were inactive companies.

(d) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations regarding future events that are believed to be reasonable under the circumstances. Actual results may differ significantly from these estimates.

Significant estimates made by management include, but are not limited to: economic lives of leased assets; allowances for potential uncollectability of accounts and notes receivable, provisions for inventory obsolescence; impairment assessment of long-lived assets and goodwill; depreciable lives of property, plant and equipment; useful lives of intangible assets; accruals for contingencies including tax contingencies; valuation allowances for deferred income tax assets; estimates of fair value of identifiable assets and liabilities acquired in business combinations; estimates of fair value of derivative instruments and embedded conversion options; and estimates of the fair value of stock-based payment awards.

(e) Cash and Cash Equivalents

Effective January 1, 2019, the Company adopted ASU 2016-18 *Statement of Cash Flows* (ASC 230): "Restricted Cash", which requires inclusion of restricted cash with cash on the Statement of Cash Flows. The Company retrospectively applied the pronouncement to the prior-year balance. Previously, changes in restricted cash were reported on the statement of cash flow as operating, investment, or financing activities based on the nature of the underlying activity. For purposes of the consolidated balance sheets and the statements of cash flows cash and cash equivalents include cash, restricted cash and amounts held primarily in U.S. dollars and Canadian dollars. The Company considers all highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less to be cash equivalents.

Restricted cash consists of cash deposits held in escrow with financial institutions that will be available within 12 months in accordance with the debenture purchase agreement dated May 14, 2018 between the Company and GGP. The restricted cash is measured at fair value.

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position to such amounts presented in the statement of cash flows:

	As of December 31,	
	2019	**2018**
Cash	$ 34,821	$ 15,295
Restricted Cash	-	5,272
Total cash and restricted cash presented in statement of cash flows	**$ 34,821**	**$ 20,567**

(f) Accounts Receivable

Allowances for doubtful accounts receivable are based on the Company's assessment of the collectability of specific customer balances, which is based upon a review of the customer's credit worthiness and past collection history. For trade accounts receivable that have characteristics of both a contractual maturity of one year or less, and arose from the sale of goods or services, the Company charges off the balance against the allowance for doubtful accounts when it is known that a provided amount will not be collected.

(g) Inventory

Inventory is comprised of supplies, raw materials, finished goods and work-in-process such as harvested cannabis plants and by-products to be harvested. Inventory is valued at the lower of cost, determined on a weighted average cost basis, and net realizable value. The direct and indirect costs of inventory initially include the costs to cultivate the harvested plants at the time of harvest. They also include subsequent costs such as materials, labor, and overhead involved in processing, packaging, labeling, and inspection to turn raw materials into finished goods. All direct and indirect costs related to inventory are capitalized as they are incurred and are subsequently recorded within cost of goods sold in the consolidated statement of operations at the time of sale.

Net realizable value is determined as the estimated selling price less a reasonable estimate of the costs of completion, disposal, and transportation. At the end of each reporting period, the Company performs an assessment of inventory obsolescence to measure inventory at the lower of cost or net realizable value. Factors considered in determining obsolescence include, but are not limited to, slow-moving inventory or products that can no longer be marketed.

(h) Investments

The Company currently accounts for its investments using the equity method of accounting in accordance with ASC 323 as described in Note 2(c). The investments are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's investments are adjusted for the Company's share of income or loss and distributions each reporting period. The carrying value of the Company's investments are assessed for indicators or impairment at each balance sheet date. See note 7 for further discussion.

(i) Property, Plant and Equipment and Long-Lived Assets

Property, plant and equipment are recorded at historical cost net of accumulated depreciation, write-downs and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life as follows:

Buildings	25 years
Leasehold improvements	over the shorter of the initial term of the underlying lease plus any reasonably assured renewal terms, and the useful life of the asset
Production equipment	5 years
Processing equipment	5 years
Sales equipment	3 - 5 years
Office equipment	3 - 5 years
Land	not depreciated

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items or components of property, plant and equipment and each major component is assigned an appropriate useful life. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized. Maintenance and repairs are charged to expense as incurred. Significant expenditures, which extend the useful lives of assets or increase productivity, are capitalized.

Construction in progress includes construction progress payments, deposits, engineering costs, and other costs directly related to the construction of cultivation, processing or dispensary facilities. Expenditures are capitalized during the construction period and construction in progress is transferred to the appropriate class of property, plant and equipment when the assets are available for use, at which point the depreciation of the asset commences.

The Company reviews the carrying values of its property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group might not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent when testing for, and measuring for, impairment. In performing its review of recoverability, the Company estimates the future cash flows expected to result from the use of the asset or asset group and its eventual disposition. If the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset or asset group, an impairment loss is recognized in the consolidated statements of operations. Measurement of the impairment loss is based on the excess of the carrying amount of the asset or asset group over the fair value calculated using discounted expected future cash flows.

A liability for the fair value of an asset retirement obligation associated with the retirement of tangible long-lived assets and the associated asset retirement costs are recognized in the period in which the liability and costs are incurred if a reasonable estimate of fair value can be made using a discounted cash flow model. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently amortized over the asset's useful life. The liability is accreted over the period to expected cash outflows.

(j) Leases

The Company leases some items of property, plant and equipment, office, processing and dispensary space. On the lease commencement date, a lease is classified as a capital lease or an operating lease based on the classification criteria of the lease guidance under U.S. GAAP. The classification criteria under FASB ASC Topic 840 *Leases* was applied up to and including December 31, 2018. As of January 1, 2019, the Company adopted FASB ASC Topic 842 *Leases* ("ASC 842") and applied the lease classification criteria contained therein for any new leases. Upon adoption of ASC 842, the Company recorded right-of-use ("ROU") assets for all of its leased assets classified as operating leases. The ROU assets were computed as the present value of future minimum leases payments, including additional payments resulting from a change in an index such as a consumer price index or an interest rate, plus any prepaid lease payments minus any lease incentives received. A lease liability was also recorded at the same time. No ROU asset is recorded for leases with lease term, including any reasonably assured renewal terms, of 12 months or less. Refer to Note 4 for the effect of adoption of ASC 842 on January 1, 2019.

Upon adoption of ASC 842, the Company also recorded lease liabilities computed as the present value of future minimum lease payments, including additional payments resulting from a change in an index or an interest rate. Lease liabilities are amortized using the effective interest method.

Depreciation on the ROU asset is calculated as the difference between the expected straight-line rent expense over the lease term less the accretion on the lease liability.

(k) Other Assets

Other assets mainly include security deposits on lease arrangements which are refundable to the Company at the end of the lease term.

(l) Other Intangible Assets

Intangible assets with a finite life are recorded at cost and are amortized on a straight-line basis over estimated useful lives. Intangible assets with an indefinite life are not amortized and are assessed annually for impairment, or more frequently if indicators of impairment arise. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company capitalizes certain internal-use software development costs, consisting primarily of contractor costs and employee salaries and benefits allocated to the software. Capitalization of costs incurred in connection with internally developed software commences when both the preliminary project stage is completed and management has authorized further funding for the project, based on a determination that it is probable the project will be completed and used to perform the function intended. Capitalization of costs ceases no later than the point at which the project is substantially complete and ready for its intended use. All other costs are expensed as incurred. Amortization is calculated on a straight-line basis over five years. Costs incurred for enhancements that are expected to result in additional functionalities are capitalized.

Other intangible assets mainly comprise of licenses acquired in business combinations. Licenses are amortized over 15 years, which better reflects the useful lives of the assets. The Company has applied this prospectively effective January 1, 2018. Trademarks are amortized over 7 to 15 years, and all other intangible assets with a finite life are amortized over 1 to 5 years.

The Company reviews the carrying values of its other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group might not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent when testing for, and measuring for, impairment. In performing its review for recoverability, the Company estimates the future cash flows expected to result from the use of the asset or asset group and its eventual disposition. If the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset or asset group, an impairment loss is recognized in the consolidated statement of operations. Measurement of the impairment loss is based on the excess of the carrying amount of the asset or asset group over the fair value calculated using discounted expected future cash flows.

(m) Goodwill

Goodwill represents the excess of purchase price paid over the fair value of net identifiable assets (tangible and intangible assets) acquired in business combination transactions. Goodwill is not subject to amortization and is tested for impairment annually or more frequently if events or circumstances indicate that the asset might be impaired. The Company performs a qualitative assessment of its reporting units and certain select quantitative calculations against its current long-range plan to determine whether it is more likely than not (a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. The Company considers persistent and lasting decline in revenue, negative operating cash flows, changes in internal strategic expansion plans, negative developments in the U.S. cannabis regulatory environment at the federal, state and local levels, and a significant continued decline in stock price, among other factors, as part of the qualitative assessment.

The Company first assesses certain qualitative factors to determine whether the existence of events or circumstances leads to determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carry amount, then performing the two-step impairment test is unnecessary. When necessary, impairment of goodwill is tested at the reporting unit level by comparing the reporting unit's carrying amount, including goodwill, to the fair value of the reporting unit. The fair value of the reporting unit is estimated using a discounted cash flow approach. If the carrying amount of the reporting unit exceeds its fair value, then a second step is performed to measure the amount of impairment loss, if any, by comparing the fair value of each identifiable asset and liability in the reporting unit to the total fair value of the reporting unit.

(n) Derivative Liabilities and Long-term Debt

The Company's debt instruments contain a host liability, freestanding warrants and in some instances, an embedded conversion feature. The Company uses the guidance under FASB ASC Topic 815 *Derivatives and Hedging* ("ASC 815") to determine if the embedded conversion feature must be bifurcated and separately accounted for as a derivative under ASC 815. It also determines whether any embedded conversion features requiring bifurcation and/or freestanding warrants qualify for any scope exceptions contained within ASC 815. Generally, contracts issued or held by a reporting entity that are both (i) indexed to its own stock; and (ii) classified in shareholders' equity, would not be considered a derivative for the purposes of applying ASC 815. Any embedded conversion features and/or freestanding warrants that do not meet the scope exception noted above are classified as derivative liabilities, initially measured at fair value and remeasured at fair value each reporting period with changes in fair value recognized in the consolidated statement of operations. Any embedded conversion feature and/or freestanding warrants that meet the scope exception under ASC 815 are initially recorded at their relative fair value in paid-in-capital and are not remeasured at fair value in future periods.

The host debt instrument is initially recorded at its relative fair value in long-term debt. The host debt instrument is accounted for in accordance with guidance applicable to non-convertible debt under FASB ASC Topic 470 *Debt* ("ASC 470") and is accreted to its face value over the term of the debt with accretion expense and periodic interest expense recorded in the consolidated statement of operations.

Issuance costs are allocated to each instrument (the debt host, embedded conversion feature and/or freestanding warrants) in the same proportion as the proceeds that are allocated to each instrument other than issuance costs directly related to an instrument are allocated to that instrument only. Issuance costs allocated to the debt host instrument are netted against the proceeds allocated to the debt host. Issuance costs allocated to an instrument classified as derivative liability are expensed in the period that they are incurred in the consolidated statement of operations. Issuance costs allocated to freestanding warrants and/or embedded conversion features classified in equity are recorded in paid-in-capital.

Upon settlement of convertible debt instruments, ASC 470-20 requires the issuer to allocate total settlement consideration, inclusive of transaction costs, amongst the liability and equity components of the instrument based on the fair value of the liability component immediately prior to repurchase. The difference between the settlement consideration allocated to the liability component and the net carrying value of the liability component, including unamortized debt issuance costs, is recognized as gain (loss) on extinguishment of debt in the consolidated statement of operations. The remaining settlement consideration allocated to the equity component is recognized as a reduction of additional paid-in capital in the consolidated balance sheet.

(o) Income Taxes

Income taxes are accounted for under the asset and liability method whereby deferred income tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the accounting and tax bases of assets and liabilities and net operating loss carryforwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates or laws is recognized in the consolidated statement of operations in the period in which the change is enacted.

The Company assesses realization of deferred income tax assets and, based on all available evidence, concludes whether it is more likely than not that the net deferred income tax assets will be realized. A valuation allowance is provided for the amount of deferred income tax assets not considered to be realizable.

The Company has elected to classify interest and penalties related to income tax liabilities, when applicable, as part of the interest expense in its consolidated statements of operations rather than income tax expense.

The Company is subject to ongoing tax exposures, examinations and assessments in various jurisdictions. Accordingly, the Company may incur additional tax expense based upon the outcomes of such matters. The Company follows the provisions of ASC Topic 740, *Accounting for Income Taxes.* ASC Topic 740 clarifies the accounting for uncertainties in income taxes recognized in a Company's consolidated financial statements. ASC Topic 740 also prescribes a recognition threshold and measurement attribute for the consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 provides guidance on derecognition, classification, interest and penalties, disclosures and transition. As required by the uncertain tax position guidance in ASC Topic 740, the Company recognized the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company does not expect any significant changes in the unrecognized tax benefits within twelve months of the reporting date.

(p) Revenue recognition

The Company recognizes revenue under the provision of ASC 606 – "*Revenue from Contracts with Customers"* ("ASC 606")(See Note 3). The Company generates revenue primarily from the sale of cannabis, cannabis related products and provision of services. The Company uses the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:

1. Identify the contract with a customer;

2. Identify the performance obligation(s) in the contract;

3. Determine the transaction price;

4. Allocate the transaction price to the performance obligation(s) in the contract; and

5. Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenue from the sale of cannabis is generally recognized when control over the goods has been transferred to the customer. Payment for medical sales is typically due prior to shipment. Payment for wholesale transactions is due within a specified time period as permitted by the underlying agreement and the Company's credit policy upon the transfer of goods to the customer. The Company generally satisfies its performance obligation and transfers control to the customer upon delivery and acceptance by the customer. Revenue is recorded at the estimated amount of consideration to which the Company expects to be entitled. Substantially all of the Company's sales are single performance obligations arrangements for which the transaction price is equivalent to the stated price of the products net of any stated discounts applicable at point of sale.

Revenue is recognized net of sales incentives and returns, after discounts.

(q) Cost of sales

Cost of sales represents costs directly related to processing and distribution of the Company's products. Primary costs include raw materials, packaging, direct labor, overhead, and shipping and handling. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance and property taxes. The Company recognizes the cost of sales at the time the related revenues are recognized.

(r) Foreign Currency Translation

The functional and reporting currency of the Company is the U.S. dollar. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the foreign exchange rates prevailing at the end of the period. Non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the date of the transaction. Realized and unrealized foreign exchange gains and losses are included in the determination of earnings in the period in which they arise.

(s) Share-based Compensation

The Company's share-based compensation generally includes stock options and warrants for common shares. Share-based compensation is recognized in accordance with the FASB ASC Topic 505 *Equity* and FASB ASC Topic 718 *Compensation-Stock Compensation* ("ASC 718").

The Company has an employee stock option plan. Share-based awards to employees are measured at the fair value of the stock options at the grant date and recognized as expense over the requisite service periods in the Company's consolidated statement of operations. The fair value of options is determined using the Black–Scholes option pricing model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the share-based awards granted shall be based on the number of awards that eventually vest. Amounts recorded for forfeited or expired unexercised options are accounted for in the year of forfeiture. Upon the exercise of stock options, consideration received on the exercise of share-based awards is recorded as paid-in-capital and the related share-based payment reserve is transferred from other equity to paid-in-capital.

Share-based compensation expense includes compensation cost for employee share-based payment awards granted and all modified or cancelled employee awards. In addition, compensation expense includes the compensation cost, based on the grant-date fair value calculated under ASC 718-10-55. Compensation expense for these employee awards is recognized using the straight-line single-option method. Share-based compensation expense is not adjusted for estimated forfeitures, but instead adjusted upon an actual forfeiture of a stock option. The Company utilizes the risk free rate determined by the market yield on U.S. treasury securities (also known as nominal rate) over the contractual term of the instrument being issued.

The critical assumptions and estimates used in determining the fair value of share-based compensation include: expected life of options, volatility of the Company's future share price, risk free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

The Company's policy is to issue new common shares from treasury to satisfy stock options which are exercised.

Awards to Non-Employees

On January 1, 2019, the Company adopted ASU 2018-07. Prior to the adoption of ASU 2018-07, share-based payments awards granted to nonemployees were measured at fair value on their grant date, subject to periodic remeasurement, and share-based compensation expense was recognized on a straight-line basis over their vesting terms. After the adoption of ASU 2018-07, the fair value of share-based payment awards granted to nonemployees is not required to be remeasured periodically and share-based compensation expense will continue to be recorded on a straight-line basis over their vesting period, consistent with share-based payment awards granted to employees.

(t) Contingent liabilities

In accordance with the FASB ASC Topic 450 *Contingencies*, the Company will make a provision for a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company reviews these provisions in conjunction with any related provisions on assets related to the claims at least quarterly and adjusts these provisions to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other pertinent information related to the case.

The Company expenses legal costs relating to its lawsuits, claims and proceedings as incurred.

(u) Business Combinations

In accordance with the FASB ASC Topic 805 *Business Combinations* ("ASC 805"), the Company allocates the fair value of purchase consideration to the tangible and intangible asset purchased and the liabilities assumed on the basis of their fair values at the date of acquisition. The determination of fair values of assets acquired and liabilities assumed requires estimates and the use of valuation techniques when a market value is not readily available. Any excess of purchase price over the fair value of net tangible and intangible assets acquired is allocated to goodwill. If the Company obtains new information about the facts and circumstances that existed as of the acquisition date during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustment to the assets acquired and liabilities assumed.

(v) Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value at issuance, the Company records a Beneficial Conversion Feature (the "BCF") and related debt discount. When the Company records a BCF, the intrinsic value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid-in capital) and amortized to interest expense over the life of the debt.

3 New Accounting Standards and Accounting Changes

Adoption of New Accounting Policies

In May 2014, the FASB issued ASC 606. The new standard, as amended, supersedes existing revenue recognition guidance and applies to all entities that enter into contracts to provide goods or services to customers. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers – Deferral of the Effective Date, which amends ASU 2014-09 to defer the effective date by one year. For public companies, the new standard is effective for annual reporting periods beginning after December 31, 2017, including interim periods within that reporting period and allows earlier adoption starting with annual periods beginning after December 31, 2016. For all other entities, including emerging growth companies, this standard is effective for annual reporting periods beginning after December 15, 2018. The Company adopted ASC 606 and several associated ASUs on January 1, 2017, the earliest possible adoption date. The Company adopted ASC 606 utilizing the modified retrospective transition method with a cumulative catch-up adjustment and applied the guidance only to contracts not completed as of the date of initial application. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASC 842. Further, the FASB has issued several additional ASUs related to the new leases standard. The Company adopted ASC 842 on January 1, 2019, as amended. The standard was issued to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. As a lessor, adoption of the standard had no impact on the Company as the Company has not entered into any third-party lease contracts where it is the lessor. As a lessee, the adoption of the standard resulted in the Company recording a net increase to right of use assets of approximately $12.7 million and lease liabilities of approximately $12.8 million as of January 1, 2019. The gross right-of-use assets amounted to $13.3 million, while prepaid expenses of $0.3 million and unamortized lease inducements and other accruals of $0.3 million were reclassed from accrued liabilities to offset the applicable right-of-use asset.

The Company mainly leases office space, cultivation, processing and dispensary facilities. Adoption of ASC 842 did not change the lease classification of its leases. The leases continue to be classified as operating leases similar to the guidance under ASC 840, *Leases* ("ASC 840"). The adoption of ASC 842 did not materially impact the Company's net earnings (losses) and had no impact on cash flows.

The Company adopted ASC 842, utilizing the modified retrospective transition method, which allowed the Company to adopt the standard as of the date of initial application. Prior year comparative amounts are not required to be restated and are presented in accordance with ASC 840 or other applicable standards effective prior to January 1, 2019. The Company has elected the 'package of practical expedients' permitted under the transition guidance within ASC 842, which permits the Company to carry forward the historical lease classification and not reassess whether any expired or existing contracts are or contain leases. In addition, the Company is not required to reassess initial direct costs for any existing leases. The Company did not elect the land easements and the use of hindsight practical expedients in determining the lease term for existing leases. ASC 842 also provides practical expedients for an entity's ongoing accounting. The Company has elected the short-term lease recognition exemption for all leases that qualify. As a result, for those leases with a term of less than 12 months after consideration of any likely renewal terms, it will not recognize right-of-use assets or lease liabilities. The Company also elected the practical expedient method to not separate lease and non-lease components for all its leases.

The following table presents the impact from the adoption of ASC 842 on the Company's consolidated balance sheet:

	Balance as of December 31, 2018	ASC 842 Adjustments	Balance as of January 1, 2019
Assets			
Right-of-use assets	$ -	$ 12,685	$ 12,685
Prepaid expenses	2,985	(306)	2,679
Liabilities			
Accrued and other liabilities	1,204	(307)	897
Lease liabilities	-	12,780	12,780
Shareholders' equity			
Accumulated deficit	(104,222)	106	(104,116)

See Note 4 for a further discussion of the Company's adoption of ASC 842.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10) – Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU 2016-01 is intended to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. For public companies, the new standard is effective for annual periods beginning after December 15, 2017, including interim periods within the fiscal year. For all other entities, including emerging growth companies, ASU 2016-01 is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods beginning after December 15, 2019. The Company adopted ASU 2016-01 on January 1, 2019 and the adoption did not have a material impact on the disclosures provided in Company's consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation (Topic 718)*. ASU 2016-09 is intended to simplify the accounting for share-based payment transactions, including income tax consequences, classification of awards as either assets or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2017 and interim periods within annual periods. Early adoption is permitted. The Company adopted ASU 2016-09 on January 1, 2017 and the adoption did not have a material impact on the Company's consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.* The objective of the amendments is to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. In addition, the amendments make certain targeted improvements to simplify the application of the hedge accounting guidance in current GAAP. For public entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application is permitted in any interim period after issuance of the Update. The Company adopted the amendments on January 1, 2019 and the adoption did not have a material impact on the Company's consolidated financial statements.

In January 2019, the Company adopted ASU 2016-18 *Statement of Cash Flows* (ASC 230): "Restricted Cash", which requires inclusion of restricted cash with cash on the Statement of Cash Flows. The Company retrospectively applied the pronouncement to the prior-year balance. Previously, changes in restricted cash were reported on the statement of cash flow as operating, investment, or financing activities based on the nature of the underlying activity

Recently Issued FASB Accounting Standard Codification Updates

In February 2020, the FASB issued ASU 2020-02, Financial Instruments-Credit Losses (Topic 326) and Leases (Topic 842) -Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842), which amends the effective date of the original pronouncement for smaller reporting companies. ASU 2016-13 and its amendments will be effective for the Company for interim and annual periods in fiscal years beginning after December 15, 2022. The Company believes the adoption will modify the way the Company analyzes financial instruments, but it does not anticipate a material impact on results of operations. The Company is in the process of determining the impact that the adoption will have on its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes, Income Taxes Topic 740 ("ASU 2019-12"). The purpose of ASU 2019-12 is to remove certain exceptions for investment, interperiod allocations and interim calculations, and it adds guidance to reduce complexity in accounting for income taxes. ASU 2019-12 is effective for annual and interim periods beginning after December 15, 2020. The Company is currently assessing the impact of ASU 2019-12 on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 adds, modifies, and removes certain fair value measurement disclosure requirements. ASU 2018-13 is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). The purpose of the amendment is to simplify how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. For public entities, the amendments in ASU 2017-04 are effective for interim and annual reporting periods beginning after December 15, 2019. The Company is currently assessing the impact of ASU 2017-04 on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). The purpose of ASU 2016-13 is to require a financial asset measured on the amortized cost basis to be presented at the net amount expected to be collected. Credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. For public entities, the amendments in ASU 2016-13 are effective for interim and annual reporting periods beginning after December 15, 2019. The Company is currently assessing the impact of ASU 2016-13 on its consolidated financial statements.

The Company considers the applicability and impact of all recently issued FASB accounting standard codification updates. Accounting standards updates that are not noted above were assessed and determined to be not applicable or not significant to the Company's consolidated financial statements for the year ended December 31, 2019.

4 Adoption of ASC 842, Leases, effective January 1, 2019

The Company mainly leases office space and cannabis cultivation, processing and retail dispensary space. Leases with an initial term of less than 12 months are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 5 years or more. The Company assumed that it was reasonably certain that the renewal options on its cannabis cultivation, processing and retail dispensary space would be exercised based on previous history and knowledge, current understanding of future business needs and level of investment in leasehold improvements, among other considerations. The incremental borrowing rate used in the calculation of the lease liability is based on the rate available to the parent company as all borrowing activity is in the parent company. None of the Company's leases include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Certain subsidiaries of the Company rent or sublease certain office space to/from other subsidiaries of the Company. These intercompany subleases are eliminated on consolidation as is the case with all intercompany transactions and have lease terms ranging from less than 1 year to 15 years.

The components of lease expense are as follows:

		Year Ended December 31,	
		2019	2018
Operating lease cost[(1)]	Selling, general and administrative expenses	$ 6,504	$ 1,655
Total lease cost		$ 6,504	$ 1,655

(1) Includes short-term leases and variable lease costs for the year ended December 31, 2019

Supplemental balance sheet information related to leases are as follows:

Balance Sheet Information	Classification	Year Ended December 31, 2019
Assets		
Right-of-use assets	Operating Leases	$ 26,558
Liabilities		
Current portion of lease liabilities	Operating Leases	$ 5,328
Long-term lease liabilities	Operating Leases	19,933
Total lease liabilities		**$ 25,261**

Maturities of lease liabilities are as follows:

	Operating Leases
2020	$ 5,328
2021	5,291
2022	5,011
2023	4,893
2024	5,030
Thereafter	48,595
Total lease payments	$ 74,148
Less: interest expense	(48,887)
Present value of lease liabilities	$ 25,261
Weighted-average remaining lease term (years)	13.5
Weighted-average discount rate	20%

As of December 31, 2018, under ASC 840, minimum lease payments under non-cancelable operating leases by period were expected to be as follows:

	Operating Leases
2019	$ 2,776
2020	2,707
2021	2,703
2022	2,369
2023	2,195
Thereafter	24,963
Total lease payments	$ 37,713

5 Acquisitions and Business Combinations

(a) Acquisition of CBD For Life

On June 27, 2019, the Company acquired 100% of the assets and liabilities of CBD For Life, LLC ("CBD For Life") and transferred the acquired assets and liabilities to iA CBD. This acquisition constitutes a business combination and was completed in exchange for a combination of the Company's shares and cash. The transaction with CBD For Life is a related party transaction since Elizabeth Stavola was an officer and director of the Company and an officer and significant shareholder of CBD For Life.

The following table summarizes the preliminary purchase price allocation:

Receivables and prepaid assets	$ 659
Inventory	2,195
Related party receivables	778
Fixed assets	683
Other non-current assets	124
Intangible assets	6,660
Goodwill	3,448
	14,547
Deferred tax liability	(1,895)
Payables and accrued liabilities	(680)
Related party payables	(498)
Other current liabilities	(11)
Other non-current liabilities	(560)
Fair value of net assets acquired	**$ 10,903**

The following table summarizes the total fair value of consideration:

Shares issued (Common shares - 2,443,181)	$ 7,989
Shares to be issued (Common shares - 9,500)	31
Cash	2,164
Settlement of pre-existing relationships	719
Fair value of consideration	**$ 10,903**

The consideration has been allocated to the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition.The pre-existing relationships settled are comprised of the Company's related party balances receivable from CBD For Life that arose as a result of the funds that the Company had transferred to CBD For Life during the year. The fair values assigned to the consideration paid, net assets acquired, and the amount assigned to goodwill and intangible assets may be revised as additional information is received.

At the date of acquisition, management allocated the initial purchase price based on the estimated fair value of the identifiable assets and liabilities assumed on the acquisition date. The allocation of the consideration paid remains consistent with the initial valuation, apart from goodwill and intangible assets.

Subsequently, the Company finalized the purchase price allocation and has adjusted the values retrospectively to reflect changes to the assets and liabilities at the acquisition date. For the fair value of the identifiable intangible assets acquired, the Company used an income-based approach, which involves estimating the future net cash flows and applies an appropriate discount rate to those future cash flows.

The following table summarizes the final adjustments made to the provisional purchase price allocation:

	Provisional allocation at acquisition	Adjustments	Final
Receivables and prepaid assets	$ 606	$ 53	$ 659
Related party receivables	478	300	778
Deferred tax liability	-	(1,895)	(1,895)
Payables and accrued liabilities	(996)	316	(680)
Intangibles	-	6,660	6,660
Goodwill	8,882	(5,434)	3,448
Other net identifiable assets acquired	1,933	-	1,933
	$ 10,903	**$ -**	**$ 10,903**

Goodwill is attributable to the specialized assembled workforce, operating history and existing relationships with nation-wide suppliers and distributors of CBD For Life. The goodwill acquired is not deductible for tax purposes.

For the year ended December 31, 2019, revenues of $3.2 million and net losses of $1.7 million from the acquired operations are included in the consolidated statement of operations from the date of acquisition to December 31, 2019. Had the acquisition of CBD For Life occurred on January 1, 2019, additional revenues of $1.9 million and additional net losses of $0.9 million would have been included in the consolidated statement of operations during the year ended December 31, 2019. Acquisition costs of $0.6 million were incurred and recognized in selling, general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2019.

(b) Acquisition of MPX Bioceutical Corporation

On February 5, 2019, the Company completed the MPX Acquisition and assumed certain debt instruments (see table below). The former MPX shareholders received 0.1673 common shares of the Company for each common share of MPX held and received additional common shares of a newly formed spin-out corporation, which holds all of the non-U.S. cannabis businesses of MPX. As a result of the acquisition, the Company has expanded its national footprint and increased its retail and production capabilities. Based on the guidance of ASC 805, this transaction was accounted for as a forward acquisition with the Company deemed to be the accounting acquirer as the resultant company is controlled by the Company.

Refer to Note 2(c) for the full list of entities acquired by the Company as part of the MPX Acquisition.

The following table summarizes the final purchase price allocation:

Cash	$ 4,058
Receivables and prepaid assets	545
Inventory	11,454
Other current assets	4,034
Fixed assets	42,173
Other non-current assets	300
Intangibles	127,280
Goodwill	394,354
	584,198
Deferred tax liability	(32,599)
Payables and accrued liabilities	(10,280)
Other current liabilities	(1,520)
Other liabilities	(6,676)
Fair value of net assets acquired	**$ 533,123**

The following table summarizes the total fair value of consideration:

Shares issued (Common shares - 75,795,208)	$ 403,071
Stock options assumed	21,704
Warrants assumed - equity	6,391
Warrants assumed - derivative	20,350
Shares to be issued	1,500
Original issue discount loan ("OID Loan") assumed	68,453
Debt assumed	11,654
Fair value of consideration	**$ 533,123**

The consideration was allocated to the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition. The consideration includes the assumption of stock options that MPX had previously issued, which became fully vested on the acquisition date, and the assumption of warrants that MPX had previously issued. The stock options assumed were valued using the Black-Scholes model and the warrants assumed were valued using the Black-Scholes model or the binomial model, depending on the underlying instrument.

At the date of acquisition, management allocated the initial purchase price based on the estimated fair value of the identifiable assets and liabilities assumed on the acquisition date. The purchase price allocation was subsequently finalized. The allocation of the consideration paid remains consistent with the initial valuation, apart from goodwill and intangible assets. The following table summarizes the final adjustments made to the provisional purchase price allocation:

	Provisional allocation at acquisition	Adjustments	Final
Net identifiable assets acquired	$ 14,000	$ (2,511)	$ 11,489
Intangibles	-	127,280	127,280
Goodwill	517,981	(123,627)	394,354
	$ 531,981	**$ 1,142**	**$ 533,123**

The intangibles recognized from the acquisition relate to licenses from various states and trademarks. The goodwill recognized from the acquisition is attributable to synergies expected from integrating MPX into the Company's existing business. The goodwill acquired is not deductible for tax purposes.

For the year ended December 31, 2019, revenues of $43.0 million and net losses of $208.4 million from the acquired operations are included in the consolidated statement of operations loss from the date of acquisition to December 31, 2019. Had the acquisition of MPX occurred on January 1, 2019, additional revenues of $3.1 million and additional net losses of $2.9 million would have been included in the consolidated statement of operations during the year ended December 31, 2019. From the date of acquisition, acquisition costs of $6.2 million, including 170,000 shares issued as part of broker fees, with a fair value of $0.9 million, were incurred and recognized in selling, general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2019.

(c) Acquisition of Citiva

On February 1, 2018, the Company completed its acquisition of Citiva, which holds a vertically integrated medical cannabis license issued by New York State. This acquisition was completed in exchange for a combination of cash and the Company's shares.

The following table summarizes the purchase price allocation upon consolidation on December 31, 2018:

Cash	$ 20
Other assets	58
Leaseholds and equipment	166
Intangibles	16,780
Goodwill	15,048
	32,072
Deferred Tax Liability	(6,199)
Accounts payable and accrued liabilities	(1,118)
Fair value of net assets acquired	**$ 24,755**

The following table summarizes the total fair value of consideration:

Cash paid	$	3,600
Shares issued – Common shares (3,625,445 shares)		13,158
Shares issued – Class A shares (1,977,563 shares)		7,178
Assumed debt		230
Settlement of pre-existing relationship		589
Fair value of consideration	**$**	**24,755**

At the date of acquisition, management allocated the initial purchase price based on the estimated fair value of the identifiable assets and liabilities assumed on the acquisition date. The pre-existing relationships settled were the Company's promissory note and related accrued interest with Citiva.

Subsequently, the Company finalized the purchase price allocation and has adjusted the values retrospectively to reflect changes to the assets and liabilities at the acquisition date. For the fair value of the identifiable intangible assets acquired, the Company used an income-based approach, which involves estimating the future net cash flows and applies an appropriate discount rate to those future cash flows.

The following table summarizes the final adjustments made to the provisional purchase price allocation:

		Provisional allocation at acquisition	**Adjustments**	**Final**
Net identifiable assets acquired	$	(875)	(6,198)	(7,073)
Intangibles		-	16,780	16,780
Goodwill		25,630	(10,582)	15,048
	$	**24,755**	**-**	**24,755**

Goodwill has been recognized as a result of the specialized workforce at Citiva, including a management team that has existing relationships with a number of registered physicians in New York State. The goodwill acquired is not deductible for tax purposes.

For the year ended December 31, 2018, revenues of $Nil and net losses of $2.5 million, from the acquired operations are included in the consolidated statement of operations from the date of acquisition. Had the acquisition of Citiva occurred on January 1, 2018, there would not have been a significant impact on the consolidated revenues and net loss for the year ended December 31, 2018.

Acquisition costs of $0.1 million were incurred and recognized in selling, general and administrative expenses in the consolidated statement of operations during the year ended December 31, 2018.

(d) Acquisition of Florida Entities

On January 17, 2018, the Company entered into a series of merger and acquisition transactions resulting in the acquisition of 100% control of GHP and McCrory's (collectively "GrowHealthy"). McCrory's holds a medical marijuana license in the state of Florida. This acquisition was completed in exchange for a combination of cash and the Company's shares. As part of the acquisition, the Company's investment of 2,925,003 preferred shares in GrowHealthy (Note 9) were redeemed in exchange for $3.0 million which was paid to the Company and reinvested at closing.

The transactions included the formation of IHF and GHHIA, two wholly owned subsidiaries of ICM together with the purchase of GHP and an option to acquire 100% of McCrory's for nominal consideration. On September 19, 2019, the Company exercised the option and 100% of the membership interest in McCrory's was transferred to GHHIA.

The following table summarizes the purchase price allocation:

Prepaid expenses	$ 117
Receivables	5,000
Inventory	1,886
Other assets	126
Fixed assets	981
Building and leasehold improvements	6,105
Land	1,294
Intangibles	38,810
Goodwill	15,223
	69,542
Deferred tax liability	(10,911)
Accounts payable and accrued liabilities	(356)
Fair value of net assets acquired	**$ 58,275**

Receivables of $5.0 million pertain to a cash collateral Low-THC Performance Bond posted by the Company with the State of Florida. The bond has a one-year term and is renewable annually. On May 9, 2018, the Company received $5.0 million from the State of Florida in relation to this bond.

The following table summarizes the total fair value of consideration:

Settlement of pre-existing investment in GrowHealthy	$ 3,000
Cash paid	14,459
Shares issued – Common shares (12,103,172 shares)	38,393
Debt assumed	110
Settlement of pre-existing relationship with GHHIA	2,313
Fair value of consideration	**$ 58,275**

At the date of acquisition, management allocated the initial purchase price based on the estimated fair value of the identifiable assets and liabilities assumed on the acquisition date. The pre-existing relationships settled were the Company's preferred shares in GrowHealthy, the Company's promissory note and related accrued interest with GrowHealthy.

Subsequently, the Company finalized the purchase price allocation and has adjusted the provisional values retrospectively to reflect changes to the assets and liabilities at the acquisition date. For the fair value of the identifiable intangible assets acquired, the Company used an income-based approach, which involves estimating the future net cash flows and applies an appropriate discount rate to those future cash flows.

The following table summarizes the final adjustments made to the provisional purchase price allocation:

	Provisional allocation at acquisition	Adjustments	Final
Net identifiable assets acquired	$ 15,153	(10,911)	4,242
Intangibles	-	38,810	38,810
Goodwill	43,122	(27,899)	15,223
	$ 58,275	**-**	**58,275**

Goodwill has been recognized as a result of the specialized assembled workforce at GrowHealthy, their expertise in cultivation, and the existing number of registered patients. The goodwill acquired is not deductible for tax purposes.

For the year ended December 31, 2018, revenues of $0.6 million and net losses of $4.3 million from the acquired operations are included in the consolidated statement of operations from the date of acquisition to December 31, 2018. Had the acquisition of GrowHealthy occurred on January 1, 2018, there would not have been a significant impact on the consolidated revenues and net loss for the year ended December 31, 2018.

Acquisition costs of $0.2 million were incurred and recognized in selling, general and administrative expenses in the consolidated statement of operations for the year ended December 31, 2018.

(e) Acquisitions of Mayflower and Pilgrim

On December 31, 2017, the Company acquired an 80.0% interest in Pilgrim, the affiliated management services company that provides financing, intellectual property licensing, professional and management services, real estate and equipment leasing, and certain other services to Mayflower. In addition, Mayflower's bylaws were amended upon acquisition to adopt a single-member not-for-profit structure. The sole member of Mayflower is Pilgrim, which enables Pilgrim to appoint all directors of the not-for-profit corporation.

The acquisition was completed through a series of transactions including the following: acquiring 80.0% of the ownership interest in Pilgrim, contributing the Company's promissory note to and accrued interest receivable from Mayflower and related party receivable to Pilgrim in return for equity units of Pilgrim, amending the bylaws of Mayflower and operating agreement of Pilgrim to provide the Company power to direct the activities of both entities and executing service agreements between Pilgrim and Mayflower.

On April 17, 2018, the Company acquired the remaining 20.0% ownership interest in Pilgrim, resulting in the Company's 100.0% ownership of Pilgrim. The Company acquired the remaining units of Pilgrim from VSH PR, Inc ("VSH") in exchange for 1,655,734 common shares of the Company. This transaction extinguished the Company's financial liability relating to its obligation to purchase the remaining interest in Pilgrim and the Company recognized a fair value adjustment of $0.4 million which is included in the change in fair value line in the consolidated statement of operations for the year ended December 31, 2018.

On July 31, 2018, Mayflower was converted under Massachusetts law from a not-for-profit into a for-profit corporation, and on the same date became 100.0% owned by the Company.

6 Inventory

Inventory is comprised of the following items:

	As of December 31,	
	2019	**2018**
Supplies	$ 5,358	$ 3,810
Raw materials	933	2,576
Work in process	1,125	1,782
Finished goods	5,822	1,159
Total Inventory	**$ 13,238**	**$ 9,327**

Inventory is written down for any obsolescence or when the net realizable value considering future events and conditions is less than the carrying value. Plants are included within supplies. For the year ended December 31, 2019, the Company recorded $1.1 million (2018 – $Nil) related to spoiled inventory in costs and expenses applicable to revenue within the consolidated statement of operations.

7 Investments

Equity-Accounted Investments

During 2016, the Company provided funding in the aggregate amount of $2.3 million to Reynold Greenleaf & Associates, LLC ("RGA"), a company incorporated in the U.S. which provides consulting and management services to companies operating in the medical cannabis industry in New Mexico. This resulted in a 24.6% ownership interest in RGA. Additionally, the Company has the ability to elect two of seven directors to the board of RGA. The Company applies the guidance under ASC 323 to investments in new business ventures and thus the equity method of accounting is being utilized for this investment with a total carrying value of $2.4 million (December 31, 2018 - $2.3 million). For the year ended December 31, 2019, gross revenues, cost of revenue and net income for RGA were $3.5 million, $2.5 million and $1.0 million, respectively (2018 — $3.5 million, $3.0 million and $0.5 million, respectively). The Company recorded its proportionate share of the net income which amounted to $0.2 million for 2019 as compared to $0.1 million in 2018.

8 Property, Plant and Equipment

	As of December 31, 2019		
	Cost	Accumulated Depreciation	Net Book Value
Buildings	$ 50,415	$ 7,035	$ 43,380
Production equipment	5,197	1,090	4,107
Processing equipment	4,243	995	3,248
Sales equipment	1,046	232	814
Office equipment	3,511	584	2,927
Land	5,151	-	5,151
Construction in progress	47,967	-	47,967
Property, Plant and Equipment	**$ 117,530**	**$ 9,936**	**$ 107,594**

	As of December 31, 2018		
	Cost	Accumulated Depreciation	Net Book Value
Buildings	$ 20,266	$ 2,207	$ 18,059
Production equipment	1,706	427	1,279
Processing equipment	586	109	477
Sales equipment	463	89	374
Office equipment	1,006	172	834
Land	2,576	-	2,576
Construction in progress	5,979	-	5,979
Property, Plant and Equipment	**$ 32,582**	**$ 3,004**	**$ 29,578**

During the year ended December 31, 2019, in total, the Company disposed of property, plant and equipment with a cost of $2.4 million (2018 — $0.4 million) and related accumulated depreciation of less than $0.1 million (2018 — less than $0.1 million). Of these disposals, the Company sold a property with net book value of $0.5 million in exchange for net cash consideration of $0.3 million, after payment of commissions and other selling costs. The resulting loss was recorded in write-downs and other charges in the consolidated statement of operations. In addition, assets with net book value of $0.7 million were transferred pursuant to a settlement agreement with a third party. Furthermore, the Company recorded a write-down of assets with net book value of $1.2 million after an assessment of the carrying value in light of future expected cash flows.

9 Notes Receivable

	The Green Solution, LLC	Citiva	GrowHealthy (promissory note)	GrowHealthy (Class B Preferred Shares)	Citiva Jamaica	Total
As of January 1, 2018	**$ 8,208**	**$ 587**	**$ 2,272**	**$ 3,000**	**$ -**	**$ 11,067**
Additions	-	-	-	-	232	232
Interest earned and receivable	540	2	-	-	20	562
Repayments of principal	(8,748)	-	-	-	-	(8,748)
Settlement of pre-existing relationship	-	(589)	(2,272)	(3,000)	-	(2,861)
As of December 31, 2018	**$ -**	**$ -**	**$ -**	**$ -**	**$ 252**	**$ 252**
Interest earned and receivable	-	-	-	-	64	64
As of December 31, 2019	**$ -**	**$ -**	**$ -**	**$ -**	**$ 316**	**$ 316**

The Green Solution, LLC

On February 6, 2017, the Company issued a $7.5 million promissory note to The Green Solution, LLC and certain of its affiliated Colorado entities (collectively, "TGS"). TGS is a cultivator and dispenser of marijuana and marijuana-infused products in Colorado. The note had a term of one year and interest on borrowings were payable at the rate of 14.0% during the first four months, escalating to 23.0% for the remaining eight months.

On February 5, 2018, near the date of maturity, the note was restructured. The amended terms specified that the principal payments and accrued interest at the payment dates were due February 13, 2018 ($2.0 million), April 24, 2018 ($2.0 million) and July 31, 2018 ($3.5 million). The interest rate from the date of restructuring was 23.0% for the remainder of the loan term. Three separate payments of the principal plus accrued interest have been received by the Company on February 13, 2018, April 19, 2018, and June 13, 2018 for the amounts indicated. As such, the full principal amount and accrued interest have been repaid.

Citiva

On August 18, 2017, the Company issued a $0.5 million promissory note to Citiva. The note was provided in connection with the Letter of Intent to acquire Citiva, which holds one of the ten vertically integrated medical marijuana licenses in New York State. The promissory note had a term of one year, subject to acceleration in certain events, and held interest of 5.0% and up to 20.0%, subject to certain events. On December 1, 2017, the facility limit was increased and drawn to $0.6 million.

On February 1, 2018, the Company acquired a 100% interest in Citiva. Refer to Note 5(c) for more details on the transaction. This transaction settled the outstanding arrangement with Citiva, resulting in a $Nil balance as of December 31, 2018.

GrowHealthy Holdings, LLC ("GrowHealthy")

On September 14, 2017, the Company issued a $2.0 million promissory note to GrowHealthy. As part of the agreement, the Company was granted exclusive rights to negotiate a further strategic relationship with GrowHealthy. The note had a term of twelve months and a blended interest rate of 12.5% over the term, initiating at a 5.0% annual rate until January 31, 2018 and escalating to 20.0% for the remainder of the term. During 2017, there was an additional drawdown on the promissory note of $0.3 million. On January 16, 2018, the facility limit was increased to $2.5 million.

In addition, on October 12, 2017, the Company purchased 2,925,003 Class B preferred shares of GrowHealthy for a total purchase price of $3.0 million. The purchase represented approximately 6.1% of the issued and outstanding equity shares of GrowHealthy.

On January 17, 2018, the Company completed a transaction to acquire a controlling interest in the GrowHealthy group of entities. Refer to Note 5(d) for more details on the transaction. This transaction settled the outstanding arrangements with GrowHealthy. As such, the outstanding balance was $Nil as of December 31, 2018 for both the promissory note and the Class B preferred shares.

Citiva Jamaica, LLC ("Citiva Jamaica")

On February 1, 2018, the Company issued a $0.3 million promissory note to Citiva Jamaica. The note was provided in connection with the merger agreement dated February 1, 2018, among ICH, IEH, and Citiva. Refer to Note 5(c) for more details on the transaction. The note has a maturity date of February 1, 2021 and yields interest at 12.0% on or before February 1, 2019 and at 20.0% beginning February 2, 2019.

10 Other Intangible Assets

	As of December 31, 2019		
	Cost	Accumulated Amortization	Net Book Value
Licenses	$ 157,890	$ 13,774	$ 144,116
Trademarks	34,620	3,995	30,625
Other	3,214	365	2,849
	$ 195,724	**$ 18,134**	**$ 177,590**

	As of December 31, 2018		
	Cost	Accumulated Amortization	Net Book Value
Licenses	$ 59,710	$ 3,793	$ 55,917
Other	675	99	576
	$ 60,385	**$ 3,892**	**$ 56,493**

During 2019, the Company acquired $135.3 million in other intangible assets, which mainly includes additions of $133.9 million in licenses and trademarks from business combinations. Refer to Note 5 for more details of these transactions. The net book value of other intangible assets acquired during 2019 was $124 million as of December 31, 2019. The weighted average remaining amortization period for these additions is 12.16 years as of December 31, 2019.

The estimated amortization expense for each of the years ended December 31, is as follows:

2020	$ 15,674
2021	15,674
2022	15,674
2023	15,674
2024	15,389

11 Goodwill

	As of December 31,	
	2019	2018
Balance, beginning of year	$ 37,454	$ 7,183
Acquisition of MPX	394,354	-
Acquisition of CBD For Life	3,490	-
Acquisition of GrowHealthy	-	15,222
Acquisition of Citiva	-	15,049
Impairment loss	(234,284)	-
Balance, end of year	**$ 201,014**	**$ 37,454**

The carrying amount of the Company's goodwill is tested at least annually for impairment on December 31 of each fiscal year or more frequently if events and changes in circumstances indicate that the asset might be impaired. The Company considers performance of each reporting unit against expected performance, persistent and lasting decline in revenue, negative operating cash flows, changes in internal strategic expansion plans, negative developments in the U.S. cannabis regulatory environment at the federal, state and local levels, and a significant continued decline in stock price, among other factors in its assessment to determine if an impairment might exist at the reporting unit level.

The Company has allocated all of its goodwill to reporting units representing cannabis operations in each state and CBD For Life as they represent the lowest level at which management monitors goodwill. Reporting units were determined to be one level below reportable segments. For each reporting unit, the Company determined the value-in-use to estimate the recoverable amount using the income approach. The calculation of the value-in-use discounted future cash flows was based on the following key assumptions:

- The cash flow projections are based on financial forecasts based on actual historical operating performance in conjunction with anticipated future growth opportunities through the opening of additional dispensaries and/or regulatory developments in the adult-use cannabis markets, which span a period of three to 14 years, up to the point of which a stable growth rate is expected for each reporting unit;

- 2019 cash flows beyond the period covered by the financial forecasts are extrapolated using a terminal growth rate of 3% (2018 □ 2.0% to 3.0%) and is based on historical and projected consumer inflation, historical and projected economic indicators, and projected industry growth;

- The post-tax discount rate, which is reflective of an industry Weighted Average Cost of Capital, was estimated based on a risk-free rate derived from 20-year U.S. Treasury notes, equity and small stock premiums based on industry and company fundamentals. An additional premium was incorporated to reflect the risk associated with economic forecasts and after-tax cost of debt based on the Company's specific debt. The 2019 post tax discount rate used in the discounted cash flow model ranged from 22.0% to 22.5% (2018 □ 20.0% to 37.0%); and

- The tax rates used in determining future cash flows were those substantively enacted at the valuation date.

As a result of the continued decline in the Company's stock price and market capitalization, the enterprise fair value of the Company exceeded the Company's market capitalization as of December 31, 2019. In order to align the implied control premium with current general market conditions, the impairment losses recorded for each reporting unit were higher than those indicated by a difference in carrying value and fair value. For the year ended December 31, 2019, the Company recorded an aggregate impairment loss of $234.3 million (December 31, 2018 - $Nil) against its goodwill balance.

The following table summarizes the fair value, carrying value and amount of impairment loss allocated to each reporting unit:

	For the Year Ended December 31, 2019		
Reporting Unit	**Fair Value**	**Carrying Value**	**Impairment Loss[2]**
Arizona	$ 180,136	$ 257,558	$ 110,209
Florida	79,700	89,909	11,588
Maryland	31,800	44,877	18,948
Massachusetts	96,200	110,280	26,734
Nevada	121,700	147,537	50,484
New York	21,300	36,590	15,049
Vermont	5,900	3,720	312
CBD for Life[1]	13,328	13,328	960

(1) CBD For Life was excluded from annual impairment testing as the preliminary purchase price allocation was completed during the year ended December 31, 2019.

(2) In order to align the implied control premium with current general market conditions, the Company recorded an additional $76.3 million of impairment loss across the reporting units, above and beyond the charge needed to bring carrying value down to fair value for each reporting unit.

12 Long-Term Debt

	Secured Notes	Stavola Trust Note	May 2019 Debentures	March 2019 Debentures	Original Issue Discount Note	Other	Total
As of January 1, 2019	**$ 20,363**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 20,363**
Debt host contract, at issuance	48,712	-	21,950	29,178	-	400	100,240
Debt host contract, upon acquisition	-	10,800	-	-	36,608	852	48,260
Accretion of balance	8,173	-	521	1,077	3,533	65	13,369
Repayment	-	-	-	-	(40,141)	(39)	(40,180)
As of December 31, 2019	**$ 77,248**	**$ 10,800**	**$ 22,471**	**$ 30,255**	**$ -**	**$ 1,278**	**$ 142,052**

	Secured Notes	January 2018 Debentures	February 2017 Debentures	Convertible Promissory Notes	Total
As of January 1, 2018	**$ -**	**$ -**	**$ 10,928**	**$ 1,031**	**$ 11,959**
Debt host contract, at issuance	15,974	7,740	-	-	23,714
Accretion of balance	4,389	12,300	4,341	244	21,274
Repayment	-	(20,000)	-	-	(20,000)
Conversion to equity	-	-	(14,628)	(1,275)	(15,903)
Foreign exchange impact	-	(40)	(641)	-	(681)
As of December 31, 2018	**$ 20,363**	**$ -**	**$ -**	**$ -**	**$ 20,363**

As of December 31, 2019, the total and unamortized discount costs were $30.3 million and $21.8 million respectively (2018 - $13.8 million and $11.5 million, respectively). As of December 31, 2019, the total and unamortized debt issuance costs were $4.8 million and $3.3 million, respectively (2018 - $2.3 million and $1.9 million, respectively)

(a) Secured Notes

Tranche One

On May 14, 2018, the Company issued $40.0 million secured notes (the "Tranche One Secured Notes") with a maturity date of May 14, 2021. The Company may elect to extend the maturity date by 12 months to May 14, 2022 (the "Extension") provided the Company pays the lender an extension fee of $1.0 million prior to the maturity date. The notes provide that if there is a change in control, holders can require the Company to purchase at a price equal to 105% of then outstanding principal amount together with accrued and unpaid interest and fees; provided that, 90% or more of the principal amount outstanding on the date of the change of control have been tendered for redemption. The Tranche One Secured Notes bear interest at a rate of 13.0%, per annum, payable quarterly on the last business day of each fiscal quarter, beginning on June 29, 2018. In an event of default, the interest rate would increase by 3.0% to 16.0% per annum. As of December 31, 2018, the Company held $5.3 million of restricted cash in escrow as part of the Tranche One Secured Notes which was released to the Company on March 5, 2019.

The Company issued the Tranche One Secured Notes in the principal amount of $40 million to GGP Senior Secured ("Tranche One") debt on the closing date. Because the conversion price of $3.08 was less than the stock price, this gave rise to a beneficial conversion feature valued at $7.9 million. The Company recognized this beneficial conversion feature as a debt discount and additional paid in capital on the closing date. The discount to the Tranche One Secured Notes is being amortized to interest expense until maturity or its earlier repayment or conversion. The amount of amortization recorded in interest expense was $2.6 million and $1.6 million for 2019 and 2018.

The debt host contract is being accounted for using the guidance applicable to non-convertible debt under ASC 470 and was assigned relative fair value of $26.2 million at issuance. It was recorded as long-term debt in the consolidated balance sheet, net of issuance costs of $2.3 million. During the year ended December 31, 2019, interest expense and accretion expense of $5.3 million and $5.0 million, respectively, were recorded in the consolidated statement of operations (2018 □ $3.3 million and $2.7 million, respectively).

The Tranche One Secured Notes were issued with warrants to purchase, in aggregate, up to 6,670,372 shares of the Company at an exercise price of $3.60 per share ("Equity Warrants"). The Equity Warrants expire on May 14, 2021. If the Company elects the Extension for the Tranche One Secured Notes, the Extension also applies to the Equity Warrants. In accordance with ASC 815-10, the Equity Warrants were treated as freestanding financial instruments, qualified for the scope exception under ASC 815-10-15-74, and were recorded at relative fair value in shareholders' equity in the consolidated balance sheet. At issuance, the Equity Warrants were valued at $8.4 million, net of issuance costs.

Concurrent with the issuance of the Tranche One Secured Notes, $10.0 million comprising 3,891,051 Units of the Company (the "Units") were issued. Each Unit comprises one Class A common share of the Company at $2.57 per share and a warrant to purchase one Class A share of the Company at an exercise price of $3.86 per share ("Share Warrants"). The Share Warrants expire on May 14, 2021. In accordance with ASC 815-10, the Share Warrants were recorded at relative fair value in paid-in-capital within shareholders' equity in the consolidated balance sheet. At issuance the Share Warrants were valued at $4.8 million, net of issuance costs. The Class A Shares were also classified as equity and were recorded at their relative fair value of $8.6 million, net of issuance costs.

The fair values of the debt host contract, Equity Warrants and the Share Warrants were estimated using the Black-Scholes model, with a volatility of 88.3%, dividend yield of 0.0% and risk-free rate of 2.0%. Issuance costs of $4.4 million were allocated to each of the instruments in proportion to the total proceeds allocated to each. Any issuance costs directly and distinctly related to a specific instrument were allocated to that instrument only. The fair value of the Class A shares was determined using the closing market price of common shares on the date of issuance as the Class A shares may be exchanged for common shares upon issuance at an exchange ratio of 1:1.

The terms of the Tranche One Secured Notes impose certain restrictions on the Company's operating and financing activities, including certain restrictions on the Company's ability to: incur certain additional indebtedness; grant liens; make certain dividends and other payment restrictions affecting the Company's subsidiaries; issue shares or convertible securities; and sell certain assets. The terms also contain a financial covenant requiring the Company's asset value to be 1.75 times the total net debt at each quarter end and maintain a minimum cash balance of $1.0 million while the Tranche One Secured Notes remain outstanding. The financing is secured by all current and future assets of the Company and the rights of the remaining lenders are subordinate to the Tranche One Secured Notes.

As of December 31, 2019, the Company is in compliance with all financial covenants.

During 2019, the holders waived the right to receive the cash interest payment due on September 30, 2019, electing instead to add the balance to the principal amount payable for Tranche One Secured Notes. The new higher principal amount is subject to the same terms as the original principal balance of Tranche One Secured Notes at issuance, including interest accrual, the conversion feature and maturity date. As a result of the waiver, interest payable decreased by $1.4 million.

Tranche Two

On September 30, 2019, the Company issued an additional $20.0 million of secured notes (the "Tranche Two Secured Notes"). The Tranche Two Secured Notes accrue interest at 13.0%, mature May 14, 2021, and are convertible into 10,582,011 shares of the Company at $1.89 per share ("Tranche Two Conversion Option"). The Tranche Two Secured Notes were issued with warrants to purchase, in aggregate, up to 5,076,142 shares of the Company at an exercise price of $1.97 per share ("Tranche Two Equity Warrants"). The Extension applicable to the Tranche One Secured Notes is also applicable to the Tranche Two Secured Notes. The Tranche Two Equity Warrants expire on May 14, 2021 unless the Extension is exercised by the Company, in which case, they expire on May 14, 2022.

The debt host contract is being accounted for using the guidance applicable to non-convertible debt under ASC 470 and was assigned relative fair value of $17.3 million at issuance. It was recorded as long-term debt in the consolidated balance sheet, net of issuance costs of $0.3 million. During the year ended December 31, 2019, interest expense and accretion expense of $0.7 million and $0.4 million, respectively, were recorded in the consolidated statement of operations.

In accordance with ASC 815-10, the Tranche Two Equity Warrants were treated as freestanding financial instruments, qualified for the scope exception under ASC 815-10-15-74, and were recorded at relative fair value in shareholders'equity in the consolidated balance sheet. At issuance the Tranche Two Equity Warrants were valued at $2.6 million, net of issuance costs.

The fair values of the debt host contract and the Tranche Two Equity Warrants were estimated using the Black-Scholes model, with a volatility of 77.97%, dividend yield of 0.0% and risk-free rate of 1.6%. Issuance costs of $0.3 million were allocated to each of the instruments in proportion to the total proceeds allocated to each. Any issuance costs directly and distinctly related to a specific instrument were allocated to that instrument only.

All terms, restrictions and financial covenants applicable to the Tranche One Secured Notes are also applicable to Tranche Two Secured Notes. As of December 31, 2019, the Company was in compliance with all financial covenants.

Tranche Three

On December 20, 2019, the Company issued an additional $36.2 million of secured notes (the "Tranche Three Secured Notes"). The Tranche Three Secured Notes accrue interest at 13.0%, mature May 14, 2021, and are convertible into 22,448,415 shares of the Company at an exercise price of $1.61 per share ("Tranche Three Conversion Option"). The Tranche Three Secured Notes were issued with warrants to purchase, in aggregate, up to 10,792,508 shares of the Company at an exercise price of $1.67 per share ("Tranche Three Equity Warrants"). The Extension applicable to the Tranche One Secured Notes and the Tranche Two Secured Notes is also applicable to the Tranche Three Secured Notes. Tranche Three Equity Warrants expire on May 14, 2021 unless the Extension is exercised by the Company, in which case, they expire on December 20, 2022.

The debt host contract is being accounted for using the guidance applicable to non-convertible debt under ASC 470 and was assigned relative fair value of $30.9 million at issuance. It was recorded as long-term debt in the consolidated balance sheet, net of issuance costs of $0.6 million. During the year ended December 31, 2019, interest expense and accretion expense of $0.1 million and $0.1 million, respectively, were recorded in the consolidated statement of operations.

In accordance with ASC 815-10, the Tranche Three Equity Warrants were treated as freestanding financial instruments, qualified for the scope exception under ASC 815-10-15-74, and were recorded at relative fair value in shareholders' equity in the consolidated balance sheet. At issuance, the Tranche Three Equity Warrants were valued at $5.1 million, net of issuance costs.

The fair value of the debt host contract was determined using the present value of future cash outflows discounted at the estimated market borrowing rate for the Company at the time of borrowing. The fair value of the Tranche Three Equity Warrants was estimated using the Black-Scholes model, with a volatility ranging of 74.6%, dividend yield of 0.0% and risk-free rate of 1.6%. Issuance costs of $0.7 million were allocated to each instrument in proportion to the total proceeds allocated to each. Any issuance costs directly and distinctly related to a specific instrument were allocated to that instrument only.

All terms, restrictions and financial covenants applicable to the Tranche One Secured Notes and Tranche Two Secured Notes are also applicable to Tranche Three Secured Notes. As of December 31, 2019, the Company was in compliance with all financial covenants.

Subsequent to the year-ended December 31, 2019, the Company defaulted on its interest obligations to the holders of the Secured Notes. Further details on the default are disclosed in Note 20.

(b) March 2019 Debentures

On March 18, 2019, the Company completed a private placement of $35.0 million of unsecured convertible debentures (the "March 2019 Debentures") and corresponding warrants to purchase 2,177,291 common shares of the Company at an exercise price of $6.43 per share from closing date until March 15, 2022 ("March 2019 Equity Warrants"). The March 2019 Debentures bear interest at a rate of 8.0%, per annum, payable quarterly on the last business day of each fiscal quarter, beginning on March 31, 2019. Interest is paid in cash, shares, or a combination of cash and shares, up to 50%, at the Company's election. The March 2019 Debentures mature on March 15, 2023.

The March 2019 Debentures are convertible into 5,912,159 common shares of the Company at $5.92 per share ("March 2019 Conversion Option"). The holders of the March 2019 Debentures may elect to convert the outstanding principal and accrued unpaid interest, in part or in full, at any time following issuance. The Company may force the conversion of the March 2019 Debentures into common shares of the Company at any time following July 16, 2019, if the daily volume weighted average trading price of the Company's common shares on the OTC Markets is greater than $10.29 for any ten consecutive trading days.

The debt host contract is being accounted for using the guidance applicable to non-convertible debt under ASC 470 and was assigned relative fair value of $30.3 million at issuance. It is recorded as long-term debt in the consolidated balance sheet, net of issuance costs of $1.2 million. During the year ended December 31, 2019, interest expense and accretion expense of $2.2 million and $1.1 million, respectively, were recorded in the consolidated statement of operations.

In accordance with ASC 815-10, the March 2019 Equity Warrants were treated as freestanding financial instruments, qualified for the scope exception under ASC 815-10-15-74, and were recorded at relative fair value in shareholders' equity in the consolidated balance sheet. At issuance, the March 2019 Equity Warrants were valued at $4.5 million, net of issuance costs.

The fair value of the debt host contract was determined using the present value of future cash outflows discounted at the estimated market borrowing rate for the Company at the time of borrowing. The fair value of the March 2019 Equity Warrants was estimated using the Black-Scholes model, with a volatility of 74.7%, dividend yield of 0.0% and risk-free rate of 2.3%. Issuance costs of $1.3 million were allocated to each instrument in proportion to the total proceeds allocated to each. Any issuance costs directly and distinctly related to a specific instrument were allocated to that instrument only.

In relation to the issuance of the March 2019 Debentures, the Company incurred fees of $1.3 million which comprises $0.7 million in common shares and $0.6 million in cash. Issuance costs were allocated to each instrument in proportion to the total proceeds allocated to each.

The terms of the March 2019 Debentures impose certain restrictions on its operating and financing activities, including certain restrictions on the Company's ability to incur certain additional indebtedness at the subsidiary level. As of December 31, 2019, the Company was in compliance with all financial covenants.

Subsequent to the year-ended December 31, 2019, the Company defaulted on its interest obligations to the holders of the Secured Notes. This default triggered a cross-default on its interest obligations to the holders of the March 2019 Debentures. Further details on the default are disclosed in Note 20.

(c) May 2019 Debentures

On May 2, 2019, the Company completed a private placement of $25.0 million of unsecured convertible debentures (the "May 2019 Debentures") and corresponding warrants to purchase 1,555,207 common shares of the Company at an exercise price of $6.43 per common share from the closing date until March 15, 2022 ("May 2019 Equity Warrants"). The May 2019 Debentures bear interest at a rate of 8.0%, per annum, payable quarterly on the last business day of each fiscal quarter, beginning on June 30, 2019. Interest is paid in cash, shares, or a combination of cash and shares, up to 50%, at the Company's election. The May 2019 Debentures mature on March 15, 2023.

The May 2019 Debentures are convertible into 4,222,971 common shares of the Company at $5.92 per share ("May 2019 Conversion Option"). The holders of the May 2019 Debentures may elect to convert the outstanding principal and accrued unpaid interest, in part or in full, at any time following issuance. The Company may force the conversion of the May 2019 Debentures into common shares of the Company at any time following September 1, 2019, if the daily volume weighted average trading price of the Company's common shares on the OTC Markets is greater than $10.29 for any ten consecutive trading days.

The debt host contract is being accounted for using the guidance applicable to non-convertible debt under ASC 470 and was assigned relative fair value of $22.3 million at issuance. It is recorded as long-term debt in the consolidated balance sheet, net of issuance costs of $0.4 million. During the year ended December 31, 2019, interest expense and accretion expense of $1.3 million and $0.5 million, respectively, were recorded in the consolidated statement of operations.

In accordance with ASC 815-10, the May 2019 Equity Warrants were treated as freestanding financial instruments, qualified for the scope exception under ASC 815-10-15-74, and were recorded at relative fair value in shareholders' equity in the consolidated balance sheet. At issuance the May 2019 Equity Warrants were valued at $2.6 million, net of issuance costs.

The fair value of the debt host contract was determined using the present value of future cash outflows discounted at the estimated market borrowing rate for the Company at the time of borrowing. The fair value of the May 2019 Equity Warrants was estimated using the Black-Scholes model, with a volatility of 73.6%, dividend yield of 0.0% and risk-free rate of 2.3%. Issuance costs of $0.4 million were allocated to each instrument in proportion to the total proceeds allocated to each. Any issuance costs directly and distinctly related to a specific instrument were allocated to that instrument only.

In relation to the issuance of the May 2019 Debentures, the Company incurred fees of $0.4 million which comprises $0.1 million in common shares and $0.3 million in cash. Issuance costs were allocated to each instrument in proportion to the total proceeds allocated to each.

The terms of the May 2019 Debentures impose certain restrictions on its operating and financing activities, including certain restrictions on the Company's ability to incur certain additional indebtedness at the subsidiary level. As of December 31, 2019, the Company was in compliance with all financial covenants.

Subsequent to the year-ended December 31, 2019, the Company defaulted on its interest obligations to the holders of the Secured Notes. This default triggered a cross-default on its interest obligations to the holders of the May 2019 Debentures. Further details on the default are disclosed in Note 20.

(d) Original Issue Discount Loan ("OID Loan")

Prior to the acquisition of MPX (Note 5(b)), MPX issued a $40.0 million OID Loan maturing on May 25, 2021 (the "Maturity Date"). The non-interest bearing OID Loan was convertible into units of MPX at the option of the holder at any time prior to the Maturity Date. As a result of the MPX Acquisition, the loan agreement was amended by the Certificates of Adjustment such that following the MPX Acquisition, the holders would receive shares and warrants of the Company in lieu of MPX shares and warrants, upon conversion. The Certificate of Adjustment determined a conversion ratio of C$4.42, a warrant exercise price of C$6.04, and an acceleration hurdle rate on the warrants of C$19.13. The OID Loan may also be redeemed by the Company until the Maturity Date.

On the acquisition date, the Company recognized the host liability at fair value of $36.6 million. During the year ended December 31, 2019, accretion expense of $3.5 million, was recognized on the host liability in the consolidated statement of operations.

During the year ended December 31, 2019, the Company completed the redemption of the outstanding OID Loan. As a result of the conversion of the OID Loan, the Company issued 11,617,044 shares and 5,808,517 warrants valued at $31.5 million and $8.6 million, respectively.

(e) Stavola Trust Note

As part of the MPX Acquisition (Note 5(b)), the Company assumed a long-term note (the "Stavola Trust Note") of $10.8 million, payable to the Elizabeth Stavola 2016 NV Irrevocable Trust. This trust is for the benefit of a former director and officer of the Company, Elizabeth Stavola, and is therefore a related party balance. The Stavola Trust Note was originally issued at $10.0 million, and the balance was increased at the acquisition date by $0.8 million as it became subordinate to the existing debt instruments of the Company when it was assumed during the MPX Acquisition. The note has a maturity date of January 19, 2020, and an interest rate of 8.0%. Repayment of the note is secured by the assets of certain subsidiaries of the Company.

As this is a current liability, the face value of the note is equal to the fair value. For the year ended December 31, 2019, interest expense of $0.8 million was recognized in the consolidated statement of operations (December 31, 2018 - $Nil). The Stavola Trust Note was repaid in full by the Company in January 2020, prior to its maturity date.

(f) January 2018 Debentures

On January 17, 2018, the Company issued $20.0 million aggregate principal amount of unsecured debentures (the "January 2018 Debentures"), with a maturity date of January 17, 2019. The January 2018 Debentures bear interest at a rate of 15.0% per annum, payable in cash at maturity.

The January 2018 Debentures were issued with warrants to purchase, in aggregate, 10,036,130 common shares of the Company at $1.99 per share and expire January 17, 2021. The Company applied the guidance under ASC 815-10 and determined that the warrants are a freestanding financial instrument. They did not meet the scope exception under ASC 815-10-15-74 and are subject to fair value requirements of ASC 815. The Company recorded the warrants as a derivative liability at fair value at issuance with changes in fair value recognized in the consolidated statement of operations each reporting period.

At issuance, the fair value of the debt was determined using the present value of future cash outflows discounted at the estimated market borrowing rate for the Company. The Black-Scholes valuation model used to calculate the fair value of the derivative was calibrated so that the fair value is equal to the intrinsic value, solving for the unobservable inputs. At issuance, fair value of $12.3 million was allocated to the warrants and related issuance costs were expensed in the consolidated statement of operations. The residual consideration of $7.7 million was allocated to the debt host contract which was recorded as long-term debt in the consolidated balance sheet, net of issuance costs. As neither fair value measurement is evidenced by a quoted price in an active market for an identical asset or liability, the initial loss on recognition has not been recognized in the consolidated statement of operations. As of May 14, 2018, on the date of the change in the Company's functional currency, the classification of the warrants changed from derivative liability to equity. As a result, the warrants were revalued for the final time and moved to shareholders' equity in the consolidated balance sheet.

The terms of the January 2018 Debentures imposed certain restrictions on its operating and financing activities, including certain restrictions on the Company's ability to: incur certain additional indebtedness; grant liens; and declare or make certain dividends. The terms require the Company maintain a minimum cash balance of $1.0 million while the January 2018 Debentures remained outstanding. In May 2018, the Company repaid the full principal amount and accrued interest totaling of $21.0 million to the holders of the January 2018 Debentures, lifting the imposed restrictions, including permitting the Company to incur additional indebtedness. The Company also recognized $12.3 million in accretion expense on settlement of the notes due to the early redemption.

During the year ended December 31, 2018, total interest expense and accretion expense of $2.9 million and $12.3 million, respectively, were recorded in the consolidated statement of operations related to this financing.

(g) February 2017 Debentures

On February 28, 2017, the Company issued C$20.0 million (equivalent to $15.1 million at issuance) in aggregate principal amount of unsecured convertible debentures (the "February 2017 Debentures") at a price of C$1,000 (equivalent to $755 at issuance) per convertible debenture.

The February 2017 Debentures commenced to bear interest from February 28, 2017 (the "Closing Date") at 8.0% per annum, payable semi-annually on the last day of February and August of each year. The February 2017 Debentures had a maturity date of February 28, 2019, which was 24 months from the Closing Date. Interest was payable in cash, shares, or a combination of cash and shares at the Company's election. The Company had the option to redeem, either in whole or in part, the debentures at any time after February 28, 2018 at a price equal to the then outstanding principal amount of the February 2017 Debentures plus all accrued and unpaid interest up to and including the redemption date.

The February 2017 Debentures were convertible into shares of the Company at C$3.10 per share ("Conversion Price"). The holders of the February 2017 Debentures could elect to convert any part of the debentures in multiples of C$1,000, at any time following issuance of the debentures. Beginning June 29, 2017, the Company could force the conversion of all the principal amount of the then outstanding February 2017 Debentures at the Conversion Price on 30 days prior written notice should the daily volume weighted average trading price of the Company's common shares exceed C$4.50 for any 10 consecutive trading days.

Under ASC 815-15-25-1, the conversion feature was required to be bifurcated from the host liability and qualified for the scope exception under ASC 815-10-15-74 and was classified as equity. At issuance, the conversion feature was valued at relative fair value of C$7.5 million, net of issuance costs and was recorded in paid-in-capital in the consolidated balance sheet. At issuance, the debt host liability was valued at relative fair value of C$11.60 million (equivalent $8.7 million) and the related issuance costs were recorded to expense in the consolidated statement of operations. The debt host contract was accounted for using the guidance applicable to non-convertible debt under ASC 470.

Issuance costs of C$1.1 million (equivalent $0.8 million) were allocated in proportion to the proceeds allocated to each instrument.

As of May 14, 2018, on the date of the change in the Company's functional currency, the classification of the conversion feature changed to a derivative liability. As a result, the conversion feature was revalued to fair value as of May 14, 2018 and a loss of $2.1 million was recorded in gain (loss) from change in fair value of financial instruments in the consolidated statement of operations. Upon the change in classification, the issuance costs allocated to the conversion feature originally recorded in shareholders' equity at the time of issuance were expensed to debt issuance costs in the consolidated statement of operations.

On July 16, 2018, the Company elected to exercise its right to convert all of the principal amount outstanding of the debentures and unpaid accrued interest up to July 13, 2018, into common shares of the Company. The conversion was completed on August 15, 2018.

During the year ended December 31, 2018, the Company issued 6,173,938 common shares for the conversion of C$19.1 million (equivalent $14.6 million). This includes conversion options exercised by the holder throughout the year as well as the final conversion exercised by the Company. The Company recorded interest expense of $0.4 million and accretion expense of $4.3 million during the year ended December 31, 2018.

(h) Promissory Notes

In February 2016, the Company issued two unsecured convertible promissory notes (the "Promissory Notes") for a total principal amount of $1.3 million with a maturity date of August 2018, bearing interest at a rate of 8.0% per annum, payable semi-annually on June 30 and December 31 of each year, beginning June 30, 2016. Interest was payable in cash or in shares valued at the 90% of the 20-day volume weighted average price of the Company's shares.

The Promissory Notes were convertible into common shares of the Company at a price ranging from $1.00 to $1.75 per share contingent on certain milestones being met. The holders of the Promissory Notes could elect to convert the outstanding principal and accrued unpaid interest, in part or in full, at any time following issuance of the note. The Company applied the guidance under ASC 815-10 and determined that the conversion feature is an embedded derivative and under ASC 815-15-25-1, it was required to be bifurcated from the host liability. The conversion feature did not meet the scope exception under ASC 815-10-15-74 and was subject to fair value requirements of ASC 815. The Company recorded the embedded conversion feature as a derivative liability at fair value at issuance with changes in fair value recognized in the consolidated statement of operations each reporting period. At issuance, the embedded conversion feature was valued at its fair value of $0.5 million and related issuance costs were expensed in the consolidated statement of operations.

The Promissory Notes were issued with warrants to purchase, in aggregate, 275,758 common shares of the Company at an exercise price of $1.75 per share and a maturity date of February 24, 2019. In accordance with ASC 815-10, the warrants were treated as freestanding financial instruments. They did not qualify for the scope exception under ASC 815-10-15-74 and were subject to fair value requirements of ASC 815. The Company recorded the warrants as a derivative liability at fair value at issuance with changes in fair value recognized in the consolidated statement of operations each reporting period. At issuance, the warrants were valued at their fair value of $0.2 million and related issuance costs were expensed in the consolidated statement of operations. As of May 14, 2018, on the date of the change in the Company's functional currency, the classification of the warrants changed from derivative liability to equity. As a result, the warrants were revalued for the final time and moved to shareholders' equity in the consolidated balance sheet.

The debt host contract was accounted for using the guidance applicable to non-convertible debt under ASC 470 and was assigned residual value of $0.6 million at issuance. It was recorded as long-term debt in the consolidated balance sheet, net of issuance costs. During the year ended December 31, 2018, interest expense and accretion expense of less than $0.1 million and $0.2 million, respectively, were recorded in the consolidated statement of operations.

During the first quarter of 2018, the Company issued 183,360 common shares for equity conversions relating to the convertible promissory notes with a value of $0.3 million. On August 15, 2018, the remaining principal of $1.0 million and accrued interest of less than $0.1 million were converted and repaid through the issuance of 590,910 and 26,678 common shares, respectively. The fair value of the shares issued on the remaining principal on settlement was $2.9 million.

The terms of the Promissory Notes contained restrictions on the Company's cash balances and the use of the proceeds. The terms contained a covenant requiring the Company to maintain a minimum cash balance of $0.5 million while the Promissory Notes remained outstanding and while less than 80.0% of the original principal amount had been converted by the payee. The terms also required that the proceeds be used only for the purposes of continuing the development of the Company's business plan, investment in several investment opportunities of the Company, and general working capital and general corporate purposes.

13 Share Capital

(a) Share Capital

Authorized: Unlimited common shares. The shares have no par value.

The Company's common shares are voting and are eligible for dividends. On August 23, 2019 and September 11, 2019, the Company converted Class A common shares into common shares on a 1:1 basis. As a result, 15,528,928 common shares of the Company were issued to replace the outstanding Class A shares. Following the conversion, there are no remaining Class A Shares outstanding.

Financing in October 2018

On October 10, 2018, the Company closed its equity offering of 5,188,800 common shares of the Company at C$6.65 per common share for aggregate gross proceeds of C$34.5 million (equivalent $26.6 million). The net proceeds were C$32.1 million (equivalent $24.7 million) after deducting issuance costs of C$2.4 million (equivalent $1.8 million).

(b) Warrants

The following table summarizes certain information in respect of the warrants for the Company's shares:

	For the year ended December 31, 2019		For the year ended December 31, 2018	
	Units	Weighted Average Exercise Price (C$)	Units	Weighted Average Exercise Price (C$)
Warrants outstanding, beginning	20,933,995	$ 3.38	1,698,320	$ 2.06
Granted	34,643,090	4.14	20,697,553	3.40
Exercised	(3,605,170)	3.49	(1,461,878)	2.16
Expired	(2,735,833)	3.72	-	-
Warrants outstanding, ending	49,236,082	$ 4.06	**20,933,995**	**$ 3.38**

During the year ended December 31, 2019, a total of 34,643,090 full share equivalent warrants were granted of which 9,233,425 were inherited from the MPX Acquisition with exercise prices ranging from C$1.20 to C$6.93. On the date of MPX Acquisition, these warrants were valued using the Black-Scholes model with the following inputs: volatility ranging from 57.1% to 75.4%, dividend yield of 0.0% and risk-free rate of 1.8%. During the year ended December 31, 2018, a total of 20,697,573 warrants were granted with exercise prices ranges from C$1.99 to C$3.60.

During the year ended December 31, 2019, 3,605,170 full share equivalent warrants (2018 □ 1,461,878) were exercised resulting in $9.4 million in cash proceeds (2018 □ $2.7 million). In addition, during the year ended December 31, 2019, 2,735,833 of full share equivalent warrants expired (2018 □ none).

With the change in functional currency on May 14, 2018 (Note 2), the classifications of the warrants issued in relation to the October 2017 financing, the November 2017 financing and the January 2018 financing were changed from equity to derivative liabilities.

The aggregate intrinsic value of outstanding warrants as of December 31, 2019 and 2018, was $Nil and C$44.4 million, respectively

As of December 31, 2019 and 2018, warrants classified as derivative liabilities in the consolidated balance sheet were revalued, with the following inputs:

	December 31, 2019	December 31, 2018
Risk-free interest rate	1.50% - 1.70%	1.85%
Expected dividend yield	0.0%	0.0%
Expected volatility	73.3% - 81.1%	77.5%

The Company uses an expected volatility based on its historical trading data.

The revaluation of the warrants classified as derivative liabilities resulted in a fair value of $1.7 million for these instruments as of December 31, 2019 (December 31, 2018 □ $1.3 million). As a result of the revaluation, the Company recognized a gain of $36.5 million for the year ended December 31, 2019 (2018 □ loss of $13.8 million) in the consolidated statement of operations.

Full share equivalent warrants outstanding and exercisable are as follows:

Year of expiration	2019 Number outstanding	2019 Weighted average exercise price (C)	2018 Number outstanding	2018 Weighted average exercise price (C)
2019	-	$ -	715,306	$ 2.33
2020	-	-	-	-
2021	26,596,362	4.37	20,218,689	3.41
2022	20,854,908	3.62	-	-
2023	1,784,812	4.57	-	-
Warrants Outstanding	**49,236,082**	**$ 4.06**	**20,933,995**	**$ 3.38**

(c) Dilutive Securities

The following dilutive securities and the resulting common share equivalents were outstanding for the years ended December 31, 2019 and 2018:

	2019	2018
Common Share Options	19,577,920	4,845,750
Class A Share Options	-	2,325,500
Warrants	49,236,082	20,933,995
Secured Notes	46,458,275	12,970,169
Convertible Debentures	10,135,130	-
MPX Dilutive Instruments (1)	407,876	-
Total Dilutive Securities	**125,815,283**	**41,075,414**

(1) Prior to the MPX Acquisition, MPX had instruments outstanding that were potentially dilutive and as a result of the MPX Acquisition, the Company assumed certain of these instruments.

(d) Stock Options

In November 2015, ICM established the ICM 2015 Equity Compensation Plan (the "Plan"), which was subsequently amended on October 15, 2018. The Plan authorized the issuance of up to 2,000,000 Class A common shares. Options granted generally vest over a period of 3 years, and typically have a life of 10 years. The option price under the Plan is determined at the sole discretion of management and the exercise price of all stock options shall be the higher of the closing price on the grant date, the closing price of the previous trading day before the grant date, or if and when appropriate, the five-day volume weighted average price. Following the Class A conversion, no new class A shares were issued under the Plan, and all existing Class A options are convertible into common shares.

The Company also has a rolling stock option plan (the "ICH Plan"), in which the maximum number of common shares which can be reserved for issuance under the plan is 20.0% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the option is granted, less any discount permitted by the CSE.

The following table summarizes certain information in respect of option activity under the stock option plan:

	For the year ended December 31, 2019 Units	Weighted Average Exercise Price (C$)	Weighted Average Contractual Life	For the year ended December 31, 2018 Units	Weighted Average Exercise Price (C$)	Weighted Average Contractual Life
Options outstanding, beginning	7,171,250	$ 3.51		3,816,000	$ 2.15	
Granted (1)	16,863,371	5.46		3,823,500	4.77	
Exercised (1)	(3,081,863)	2.18		(168,750)	2.20	
Forfeited/Expired	(1,374,838)	5.10		(299,500)	3.06	
Options outstanding, ending	**19,577,920**	**$ 4.80**	**8.18**	**7,171,250**	**$ 3.51**	**8.84**

Any cancellations of options accounted for as a modification upon reissuance are presented on a net basis.

(1) Under the Plan, holders of the Company's stock options are entitled to a cashless exercise, whereby the Company will issue common shares net of the monetary value that would otherwise have been remitted to the Company by the option holder. As a result, the number of common shares issued is less than the number of options exercised.

During the year ended December 31, 2019, 16,863,371 full share option equivalents were granted, of which 5,477,524 were inherited from the MPX Acquisition with exercise prices ranging from C$1.20 to C$7.50. During the year ended December 31, 2018, 3,823,500 incentive stock options were granted with exercise prices ranging from C$3.56 to C$6.00.

During the year ended December 31, 2019, 3,081,863 stock options were exercised (2018 □ 168,750), which resulted in the issuance of 2,810,371 common shares (2018 □ 140,046), 88,224 Class A Shares (2018 □ Nil) and 183,268 forfeited stock options (2018 □28,703) attributable to cashless component of option exercises. All Class A Shares were subsequently converted to common shares.

The aggregate intrinsic value of outstanding options as of December 31, 2019 and 2018, was $Nil and C$14.3 million, respectively.

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following ranges of assumptions:

	December 31, 2019	December 31, 2018
Risk-free interest rate	1.50% - 1.70%	1.33% - 2.50%
Expected dividend yield	0.0%	0.0%
Expected volatility	77.0% - 82.0%	75.6% - 97.0%
Expected option life	7 years	7 years

The Company uses an expected volatility based on its historical trading data.

The related share-based compensation expense for the year ended December 31, 2019, was $14.2 million (2018 □$6.8 million) and is presented in the selling, general and administrative expenses line on the consolidated statements of operations.

14 Segment Information

Management, including the Company's Chief Executive Officer ("CEO") and Chief Operating Officer ("COO") who, together are considered the Company's Chief Operating Decision Maker ("CODM") (as defined in the FASB ASC Topic 280 Segment Reporting), assesses segment performance based on segment revenues and gross margins. Selling, general and administrative expenses, amortization of intangibles, write-downs and other charges, interest income, interest expense, accretion expense and tax (provision) recovery are not allocated to the segments.

The Company divides its reportable operating segments primarily by geographic region. The Company has two reportable operating segments: Eastern Region and Western Region. The Eastern Region includes the Company's operations in Florida, Maryland, Massachusetts, New York, New Jersey, and Vermont. The Western Region includes the Company's operations in Arizona and Nevada as well as its assets and investments in Colorado and New Mexico. The two geographic regions are looked at separately by the CODM and Company's management as the operations within those regions are in different stages of development. The operations comprising the Western Region are more seasoned and established than those in the Eastern Region. Most of the Company's internal growth in operations and cultivation capacity is focused in the Eastern Region. Both the Eastern Region and the Western Region segments generate revenues from the sale of cannabis products through retail dispensaries as well as wholesale supply agreements.

The "Other" category in the disclosure below comprises items not separately identifiable to the two reportable operating segments and are not part of the measures used by the Company when assessing the reportable operating segments' results. It also includes items related to operating segments of the Company that did not meet the quantitative thresholds under ASC 280-10-50-12 to be considered reportable operating segments, nor did they meet the aggregation criteria under ASC 280-10-50-11 to qualify for aggregation with one of the two reportable operating segments of the Company.

The accounting policies of the segments are the same as those described in Note 2. Inter-segment profits are eliminated upon consolidation, as well as for the discussions below.

Reportable Segments

	Years Ended December 31,	
	2019	2018
Revenue		
Eastern Region	$ 41,513	$ 3,405
Western Region	33,632	-
Other[(1)]	3,237	-
Total Revenues	**$ 78,382**	**$ 3,405**
Gross Margin		
Eastern Region	$ 13,830	$ 2,615
Western Region	3,886	-
Other	1,386	-
Total Gross Margin	**$ 19,102**	**$ 2,615**
Depreciation and amortization		
Eastern Region	$ 11,255	$ 6,247
Western Region	10,500	51
Other	734	51
Total	**$ 22,489**	**$ 6,349**
Asset impairments and write-downs		
Eastern Region	$ 73,838	$ 440
Western Region	160,740	-
Other	1,058	-
Total	**$ 235,636**	**$ 440**
Purchase of property, plant and equipment		
Eastern Region	$ 47,988	$ 13,403
Western Region	807	8
Other	542	138
Total	**$ 49,337**	**$ 13,549**
Purchase of intangibles		
Eastern Region	$ -	$
Western Region	-	-
Other	942	355
Total	**$ 942**	**$ 355**

(1) Revenue from segments below the quantitative thresholds are attributable to an operating segment of the Company that includes revenue from the sale of CBD products throughout the United States. This segment has never met any of the quantitative thresholds for determining reportable segments and nor does it meet the qualitative criteria for aggregation with the Company's reportable segments.

	As of December 31,	
	2019	2018
Assets		
Eastern Region	$ 270,182	$ 134,513
Western Region	255,174	4,374
Other	52,168	22,528
Total	**$ 577,524**	**$ 161,415**

Major Customers

Major customers are defined as customers that each individually accounted for greater than 10% of the Company's annual revenues. For the year ended December 31, 2019, no sales were made to any one customer that represented in excess of 10% of total revenues. For the year ended December 31, 2018, the Company had two customers that accounted for 35.8% of total revenues.

Geographic Information

As of December 31, 2019 and 2018, substantially all of the Company's assets were located in the United States and substantially all of the Company's revenue was earned in the United States.

Disaggregated Revenue

The Company disaggregates the revenue into categories that depict how the nature, amount, timing and uncertainty of the revenue and cashflows are affected by economic factors. For the years ended December 31, 2019 and 2018, the Company disaggregated its revenue as follows:

	Years Ended December 31,	
	2019	2018
Revenue		
iAnthus branded products	$ 30,759	$ 1,873
Third party branded products	25,748	128
Wholesale/bulk/other products	21,875	1,404
Total	**$ 78,382**	**$ 3,405**

15 Financial Instruments

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The levels of the fair value hierarchy are as follows:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, receivables, payables and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments. Balances due to and due from related parties, with the exception of the Stavola Trust Note (Note 11), have no terms and are payable on demand, thus are also considered current and short-term in nature, hence carrying value approximates fair value.

The component of the Company's long-term debt attributed to the host liability is recorded at amortized cost. Investments in debt instruments that are held to maturity are also recorded at amortized cost.

The following table presents the fair value hierarchy for the Company's financial assets and financial liabilities that are re-measured at their fair values periodically:

	As of December 31, 2019				As of December 31, 2018			
	Carrying Value	Level 2	Level 3	Total	Carrying Value	Level 2	Level 3	Total
Financial Assets								
Investment – Other[(1)]	$ -	$ -	$ 100	$ 100	$ -	$ -	$ 100	$ 100
Financial Liabilities								
Derivative liabilities	$ -	$ -	$ 1,671	$ 1,671	$ -	$ -	$ 1,255	$ 1,255

(1) Investment – Other are included in the Investments balance on the Balance Sheet.

The Company's other investment is considered to be a Level 3 instrument because it is comprised of shares of a private company, thus there is no active market for the shares and no observable market data or inputs.

The derivative liabilities related to the convertible debt instruments and freestanding warrants are recorded at fair value estimated using the Black-Scholes option pricing model and is therefore considered to be a Level 3 measurement. Refer to Note 11.

There were no transfers between Level 1, Level 2 and Level 3 within the fair value hierarchy during the years ended December 31, 2019 and 2018.

Changes in Level 3 financial assets and liabilities were as follows:

	GrowHealthy Preferred Shares	Derivative Liability
Balance as of December January 1, 2018	$ 3,000	$ 754
Additions	-	12,260
Settlement upon business combination transaction (Note 5(d))	(3,000)	(474)
Revaluations on level 3 instruments	-	13,795
Reclassifications on currency change	-	(16,943)
Conversions/ Exercises	-	(8,100)
Foreign exchange impact	-	(37)
Balance as of December 31, 2018	**$ -**	**$ 1,255**
Additions	-	52,195
Revaluations on level 3 instruments	-	(36,476)
Conversions/ Exercises	-	(15,303)
Balance as of December 31, 2019	**$ -**	**$ 1,671**

The Company's financial and non-financial assets such as prepayments, other assets including equity accounted investments, property plant and equipment, and intangibles, are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized.

The table below is the summary of the Company's long-term debt instruments (Note 12) at carrying value and fair value:

	As of December 31, 2019		As of December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Debt				
Debentures	$ 52,726	$ 44,836	$ -	$ -
Secured Notes	77,248	87,142	20,363	46,715
Stavola Trust Note	10,800	10,743	-	-
Other	1,278	920	-	-
Total	**$ 142,052**	**$ 143,641**	**$ 20,363**	**$ 46,715**

16 Commitments

In the ordinary course of business, the Company enters into contractual agreements with third parties that include non-cancelable payment obligations, for which it is liable in future periods. These arrangements can include terms binding the Company to minimum payments and/or penalties if it terminates the agreement for any reason other than an event of default as described by the agreement. The following table presents a summary of the Company's contractual obligations and commitments as of December 31, 2019:

	2020	2021	2022	2023	2024
Operating leases	$ 5,246	$ 5,291	$ 5,011	$ 4,893	$ 5,030
Service contracts	269	22	3	-	-
Consultants and advisors	186	-	-	-	-
Construction contracts	5,237	-	-	-	-
Long-term debt, principal[(1)]	10,848	97,961	358	60,057	63
Interest on long-term debt	17,845	9,642	4,902	1,074	81
Total Commitments	**$ 39,631**	**$ 112,916**	**$ 10,274**	**$ 66,021**	**$ 5,174**

(1) The payment schedule above shows amounts payable if the conversion options are not exercised by the lender for Company's convertible debt instruments.

The Company's commitments include consultants and advisors, as well as leases and construction contracts for offices, dispensaries and cultivation facilities in the U.S. and Canada. The Company has certain operating leases with renewal options extending the initial lease term for an additional one to fifteen years.

Line of Credit to Zia Integrated, LLC

On May 23, 2019, the Company established a line of credit with Zia Integrated, LLC, ("Zia") a cannabis management and consulting firm based in Maryland, permitting Zia drawdowns of up to an aggregate of $15.0 million. For each drawdown made by Zia, a convertible promissory note will be issued between the Company and Zia. As of the date of filing of the consolidated financial statements, no drawdowns have been made on the line of credit and the principal amount on the convertible promissory note is $Nil.

17 Contingencies and Guarantees

The Company is involved in lawsuits, claims, and proceedings, including those identified below, which arise in the ordinary course of business. In accordance with the FASB ASC Topic 450 Contingencies, the Company will make a provision for a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company believes it has adequate provisions for any such matters. The Company reviews these provisions in conjunction with any related provisions on assets related to the claims at least quarterly and adjusts these provisions to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other pertinent information related to the case. Should developments in any of these matters outlined below cause a change in the Company's determination as to an unfavorable outcome and result in the need to recognize a material provision, or, should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on the Company's results of operations, cash flows, and financial position in the period or periods in which such a change in determination, settlement or judgment occurs.

The Company expenses legal costs relating to its lawsuits, claims and proceedings as incurred.

The Company has been named as a defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. Based on consultation with counsel, management and legal counsel is of the opinion that the outcome of these uncertainties will not have a material adverse effect on the Company's financial position.

The events that allegedly gave rise to the following claims occurred prior to the Company's closing of the MPX transaction in February 2019 are as follows:

- On March 26, 2019, MPX received a demand letter from a corporate finance firm, with respect to alleged fees owed by MPX to the firm. Subsequently, on September 20, 2019, the Company reached a settlement and agreed to pay $2,750 in consideration. This matter has been accounted for in accordance with ASC 450 as a reduction in the goodwill acquired as part of the MPX Acquisition. As of December 31, 2019, $2.0 million was paid and the final payment of $0.75 million was paid on January 30, 2020;
- There is a claim from a former consultant against MPX, with respect to alleged consulting fees owed by MPX to the consultant, claiming the right to receive approximately $500 and punitive damages;
- There is a claim from two former noteholders against ICH and MPX ULC, with respect to alleged payments of $1.3 million made by the noteholders to MPX; and
- There is a claim against ICH, MPX ULC and MPX, with respect to a prior acquisition made by MPX in relation to a subsidiary that was not acquired by the Company as part of the MPX Acquisition, claiming $3,000 in connection with alleged contractual obligations of MPX.

In addition, the Company is currently reviewing the following matters with legal counsel and is not able to determine the range of potential losses:

There is a claim against the Company, for shares owed to prior shareholders' of GrowHealthy Holdings, LLC ("GHH"), in relation to the Company acquiring substantially all the assets of GHH. Subsequent to December 31, 2019, the claim was amended to also include monetary damages for an unspecified amount.

On March 4, 2020, a security services firm filed a complaint against McCrory's, GHHIA, GHP, and IHF, collectively, claiming $0.95 million in damages, as a result of an alleged breach of a contractual relationship by McCrory's, GHHIA, GHP, and IHF.

On April 19, 2020, Hi-Med LLC ("Hi-Med"), an equity holder and one of the Unsecured Debentureholders of the Company in the principal amount of $5,000, filed a complaint with the United States District Court for the Southern District of New York (the "USDC") against the Company, certain of the Company's current and former directors and officers and other defendants (the "Hi- Med Complaint"). Hi-Med is seeking damages for an unspecified amount and other remedies against the Company, for among other things, alleged breaches of provisions of the Unsecured Debentures and the related Debenture Purchase Agreement. Subsequently, on June 29, 2020, Hi-Med filed a claim in the Supreme Court of British Columbia (the "Court"), which mirrors the Hi-Med Complaint. Refer to Note 10 for further discussion on the Unsecured Debentures.

On April 20, 2020, a shareholder filed a putative class action lawsuit with the USDC against the Company, its former Chief Executive Officer, its current Chief Financial Officer and others (the "Class Action Lawsuit"), and is seeking damages for an unspecified amount against the Company for alleged false and misleading statements regarding certain proceeds from the issuance of long-term debt, that were held in escrow to make interest payments in the event of default on such long-term debt. Subsequent to December 31, 2019, the USDC issued an order consolidating the Class Action Lawsuit and the Hi-Med Complaint and appointed a lead plaintiff ("Lead Plaintiff"). On September 4, 2020, the Lead Plaintiff filed a consolidated amended class action lawsuit against the Company (the "Amended Complaint"). On November 20, 2020, the Company filed a Motion to Dismiss the Amended Complaint.

On July 13, 2020, the Company announced a proposed Recapitalization Transaction as discussed in Note 17. On September 14, 2020, at the meetings of Secured Lenders, Unsecured Debentureholders and Existing Equityholders (collectively, the "Securityholders"), Securityholders voted in support of the Recapitalization Transaction. On October 5, 2020, the Company received final approval from the Court for the Plan of Arrangement. Completion of the Recapitalization Transaction will be subject to, among other things, such other approvals, as may be required by the Court, approval of the Plan of Arrangement by the Court, and the receipt of all necessary regulatory and stock exchange approvals. As such, no amounts have been accrued with respect to the Recapitalization Transaction. Subsequent to December 31, 2019, the Company received a notice of appeal with respect to the final approval for the Plan of Arrangement by the Court.

On July 23, 2020, a proposed class action was issued in the Ontario Superior Court of Justice in Toronto against the Company, the Company's former CEO and the Company's CFO. The plaintiff seeks to certify the proposed class action on behalf of all persons, other than any executive level employee of the Company and their immediate families, who acquired the Company's common shares in the secondary market on or after May 30, 2019, and who held some or all of those securities until after the close of trading on April 5, 2020. Among other things, the plaintiff alleges statutory and common law misrepresentation, and seeks an unspecified amount of damages together with interest and costs. The certification motion and leave to proceed motion for a secondary market claim under the Securities Act (Ontario) have not yet been scheduled.

Subsequent to the year ended December 31, 2019, the Company filed a statement of claim against Oasis Investments II Master Fund Ltd. ("Oasis"), an Unsecured Debentureholder, in the Ontario Superior Court of Justice. In response to ICH's statement of claim, Oasis filed a defense and counterclaim, alleging that the Company breached certain debt covenants and seeking an order that the Company repay the debt instrument in the amount of $25,000 including interest and related fees. On July 13, 2020, in connection with the proposed Recapitalization Transaction, the Company has agreed to discontinued with prejudice its litigation claim which it made on February 27, 2020 against Oasis (regardless of whether the Recapitalization Transaction is consummated), and Oasis has agreed, while the Restructuring Support Agreement is in effect, not to take any steps in connection with its counterclaim against the Company. In addition, the Company and Oasis have agreed that the counterclaim by Oasis against the Company will be dismissed as a condition of closing of the Recapitalization Transaction.

Subsequent to the year ended December 31, 2019, the Company received demand letters (the "Employee Demand Letters") from two former employees, claiming combined damages of $1,500. As of the date of filing the condensed interim consolidated financial statements, there are no formal complaints filed, and it remains uncertain if any amount is owed to the former employees in connection with the Employee Demand Letters.

18 Related Party Transactions

Due from related parties as of December 31, 2017	$ 348
Repayments made to related parties	50
Foreign exchange loss on due from related parties balance	(7)
Due from related parties as of December 31, 2018	$ 391
Related party due to balance acquired	(9,533)
Payments to and on behalf of related parties	777
Repayments made to related parties	31
Payments received from related parties	(1,199)
Due from related parties as of December 31, 2019	$ (9,533)

As of December 31, 2019, the Company has a loan due from an officer and director of the Company, Hadley Ford, with a balance of $0.4 million (December 31, 2018 □ $0.4 million). The total loan facility is up to C$0.5 million (equivalent $0.4 million) and the loan accrues interest at a rate of 2.5% payable upon the maturity of the loan. The loan is repayable by June 30, 2020. Interest accrued on the loan for the year ended December 31, 2019, was less than $0.1 million (December 31, 2018 – less than $0.1 million). The related party balance is presented in the other assets line on the consolidated balance sheet.

On December 21, 2019, a former director and officer of the Company, Hadley Ford, was personally issued a loan by the managing member of Gotham Green Partners (the "Managing Member"), the entity which holds the Secured Notes issued by the Company (Note 12). As of the date of issuance of these financial statements, the Managing Member is also an insider of the Company as defined by applicable Canadian securities laws. The loan was non-interest bearing and was due on March 31, 2020. In February 2020, the Board formed a Special Committee to conduct an investigation related to the loan. The Special Committee concluded, with acceptance from the Board, that the failure to disclose such personal loans to the Board was a breach of the Company's conflict policies and other obligations as an officer and director of the Company. On April 27, 2020, the Board accepted Mr. Ford's resignation as a director and officer of the Company and as director and officer of the Company's subsidiaries.

As part of the MPX Acquisition, the Company acquired the following significant related party balances:

- On February 5, 2019, related party receivables of $0.7 million were due from companies owned by a former director and officer of the Company, Elizabeth Stavola. The balance was $0.8 million as of December 31, 2019 (December 31, 2018 – $Nil). The related party balances are presented in the other current assets line on the consolidated statement of financial position; and

- Related party term loan of $10.8 million is due to a trust whose beneficiary is a former director and officer of the Company, Elizabeth Stavola. Accrued interest on the loan as of December 31, 2019, was $Nil (December 31, 2018 - $Nil). The related party balance is included in current portion of long-term debt line on the consolidated balance sheet. Refer to Note 11 for further details on the Stavola Trust Note.

The CBD For Life acquisition is a related party transaction since Elizabeth Stavola was a director and officer of the Company and an officer and significant shareholder of CBD For Life. The consideration included the following amounts paid to individuals that are classified as related parties of the Company:

- $0.1 million in cash was paid and 118,850 common shares (with a fair value of $0.4 million) were issued to an individual related through a familial relationship to a former director and officer of the Company, Elizabeth Stavola;

- $1.5 million in cash was paid and 9,500 shares are issuable to a trust whose beneficiary was a director and officer of the Company, Elizabeth Stavola;

- 1,967,686 common shares to a trust controlled by a former director and officer of the Company, Elizabeth Stavola;

- 6,469 common shares (with a fair value of less than $0.1 million) were issued to two individuals that are related through a familial relationship to a former director and officer of the Company, Elizabeth Stavola;

- 36,969 common shares (with a fair value of $0.1 million) were issued to a former director of the Company, and current Interim Chief Operating Officer, Robert Galvin; and

- As part of the transaction, the Company also acquired a related party receivable of $0.8 million and related party payable of $0.5 million with CBD For Life. The balances for the receivable and payable were $Nil and $Nil, respectively, as of December 31, 2019.

19 Income Taxes

Income tax expense (recoveries) from continuing operations for the years ended December 31, 2019 and 2018 consisted of the following:

	2019	2018
Current income tax expense		
Federal	$ 3,220	$ 272
State	1,071	196
Foreign	-	-
Total current income tax expense	4,291	468
Deferred tax expense (recoveries)		
Federal	(10,361)	(1,710)
State	(1,922)	(630)
Foreign	-	-
Total deferred income tax expense (recoveries)	**(12,283)**	**(2,340)**
Net deferred tax expense (recoveries)	**$ (7,992)**	**$ (1,872)**

Total income tax expense (recoveries) from continuing operations differed from the amount computed by applying the federal statutory tax rate of 21.0% for the years ended December 31, 2019 and 2018 due to the following:

	2019	2018
Pretax loss at federal statutory rate	$ (67,326)	$ (17,739)
State income tax expense, net of federal expense	(1,138)	(434)
Non-deductible items	54,557	6,765
Deferred tax adjustments	(3,464)	(123)
Other items	(2,672)	(161)
Change in valuation allowance	12,051	9,820
Total provision (recoveries) for income taxes	**$ (7,992)**	**$ (1,872)**

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2019 and 2018 are presented below:

	2019	2018
Deferred tax assets		
Net operating loss carryforwards	$ 17,563	$ 7,415
Interest expense carryforwards	8,132	6,476
Stock based compensation	4,872	2,205
Intangible assets	2,413	681
Property, plant and equipment	1,118	652
Inventory assets	875	661
Other items	220	238
	35,193	**18,328**
Valuation allowance	(29,403)	(17,352)
Deferred tax assets	**5,790**	**976**
Deferred tax liabilities		
Intangibles resulting from acquisitions	(44,128)	(16,981)
Deferred tax liabilities	**(44,128)**	**(16,981)**
Net deferred tax liabilities	**$ (38,338)**	**$ (16,005)**

As of December 31, 2019, the Company has federal net operating loss carryforwards of approximately $69.1 million available to offset future income of which $14.5 million will expire in the years 2034 through 2037 while the remaining $54.6 million are indefinite lived. Of the $69.1 million of federal net operating loss carryforwards, approximately $8.8 million are subject to section 382 limitations. Additionally, the Company has net operating loss carryforwards for state purposes aggregating $49.1 million as of December 31, 2019, which expire in the year 2035 through 2039, of which $1.6 million are subject to section 382 limitations. The increase in the valuation allowance was primarily due to an increase in deferred tax assets of non-cultivator entities. The Company's foreign tax jurisdiction is Canada. The Company files income tax returns in the US Federal and various state and local tax jurisdictions. The Company's tax years open to examination for federal income taxes are from 2016 through 2019 and for state and local income taxes vary from 2016 to 2019.

20 Consolidated Statements of Cash Flows Supplemental Information

(a) Cash payments made on account of:

	Years Ended December 31,	
	2019	2018
Income taxes	$ 1,578	$ 23
Interest	13,392	4,993

(b) Changes in other non-cash operating assets and liabilities are comprised of the following:

	Years Ended December 31,	
	2019	2018
Decrease (increase) in:		
Accounts receivables	$ (2,644)	$ 4,217
Prepaid expenses	(92)	(2,600)
Inventory	9,737	(7,492)
Other assets	(1,476)	(442)
Increase (decrease) in:		
Accounts payable	(2,395)	(3,152)
Accrued and other liabilities	4,659	582
Related party balances and other assets/liabilities	418	(149)
	$ 8,207	**$ (9,036)**

(c) Depreciation and amortization are comprised of the following:

	Years Ended December 31,	
	2019	2018
Property, plant and equipment	$ 6,996	$ -
Operating lease right-of-use assets	1,275	2.457
Other intangible assets	14,218	3,892
	$ 22,489	**$ 6,349**

(d) Write-downs and other charges are comprised of the following:

	Financial statement line item	Years Ended December 31,	
		2019	2018
Write-downs:			
Account receivable provisions	Write-downs and other charges	$ 113	$ 95
Property, plant and equipment	Write-downs and other charges	1,239	345
		1,352	440
Other Charges:			
Property, plant and equipment	Selling, general and administrative expenses	803	-
		$ 2,155	$ 440

(e) Significant non-cash investing and financing activities are as follows:

	Years Ended December 31,	
	2019	2018
Supplemental Cash Flow Information:		
Shares issued for the conversion of the OID Loan	$ 50,080	$ -
Impact of ASC 842 Adoption	12,786	-
Non-cash consideration transferred for the acquisition of MPX	451,516	-
Non-cash consideration transferred for the acquisition of CBD For Life	8,020	-
Cashless exercise of MPX warrants recorded as derivatives	5,364	-
Non-cash consideration transferred from Tranche One Secured Notes	1,358	-
Cashless stock option exercises	104	-
Shares issued for the settlement of the financial liabilities with VSH	-	4,000
Shares issued for the settlement from the acquisition of Pakalolo	-	113
Shares issued as settlement of conversion for convertible promissory notes	-	1,275
Shares issued for the settlement for conversion of debt instruments	-	15,897
Warrants issued for the settlement of the May 2018 financing	-	16,014
Non-cash consideration transferred to third-parties related to acquisition of new businesses	-	17,531
Non-cash consideration transferred for the acquisition of GrowHealthy	-	43,817
Non-cash consideration transferred for the acquisition of Citiva	-	21,156
Due to adjustments from functional currency changes	-	16,782

21 Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through December 8, 2020, the date on which the financial statements were available to be issued require adjustment or disclosure in the Company's consolidated financial statements.

Stavola Trust Note Repayment

On January 10, 2020, the Company repaid the outstanding principle of $10,800 and interest of $24 on the Stavola Trust Note, repaying the note in full.

Stock Option Grant

On April 1, 2020, the Company granted 135,000 stock options to employees and consultants at an exercise price of $0.82.

Legal Proceedings

Please refer to Note 17 of the Financial Statements for details.

COVID-19

Subsequent to December 31, 2019, the global emergence of the COVID-19 virus occurred. The impact of COVID-19 on the Company's business is currently unknown. The Company will continue to monitor guidance and orders issued by federal, state and local authorities with respect to COVID-19. As a result, the Company may take actions that alter its business operations as may be required by such guidance and orders or take other steps that the Company determines are in the best interest of its employees, customers, partners, suppliers, shareholders' and stakeholders.

Any such alterations or modifications could cause substantial interruption to the Company's business and could have a material adverse effect on the Company's business, operating results, financial condition, and the trading price of common shares, and could include temporary closures of one or more of the Company's facilities; temporary or long-term labor shortages; temporary or long-term adverse impacts on the Company's supply chain and distribution channels; the potential of increased network vulnerability and risk of data loss resulting from increased use of remote access and removal of data from the Company's facilities. In addition, COVID-19 could negatively impact capital expenditures and overall economic activity in the impacted regions or depending on the severity, globally, which could impact the demand for the Company's products and services.

It is unknown whether and how the Company may be impacted if the COVID-19 pandemic persists for an extended period of time or it there are increases in its breadth or in its severity, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which the Company is subject. The COVID-19 pandemic poses a risk that the Company or its employees, contractors, suppliers, and other partners may be prevented from conducting business activities for an indefinite period.

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, subject to the implementation of certain restrictions on adult-use cannabis sales in both Massachusetts and Nevada, which have since been lifted, 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 common shares of the Company.

Special Committee Investigation

Subsequent to year end, the Special Committee (Note 2) completed an investigation into the actions of Hadley Ford, a director and officer of the Company. On April 27, 2020, the Board accepted the resignation of Ford in his capacity as a director and officer of the Company and as director and officer of the Company's subsidiaries, effective immediately.

Cease Trade Order ("CTO")

The Company did not file the following continuous disclosure documents (collectively, the "Annual Filings") prior to the filing deadline of June 15, 2020:

a) audited annual financial statements for the year ended December 31, 2019;
b) management's discussion and analysis relating to the audited financial statements for the year ended December 31, 2019; and
c) certification of the foregoing filings as required by National instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

As a result, the Company is subject to a CTO issued by the Ontario Securities Commission on June 22, 2020.

In addition, the Company did not file the following continuous disclosure documents (collectively, the "Interim Filings") prior to the filing deadline of July 14, 2020:

a) interim financial statements for the three months ended March 31,2020;
b) management's discussion and analysis relating to the interim financial statements for the three months ended March 31, 2019; and
c) certification of the foregoing filings as required by National instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

The CTO affects trading in all securities of the Company by securityholders of the Company, in each jurisdiction in Canada in which the Company is a reporting issuer and will remain in effect until such time as the Company has filed both the Annual Filings and the Interim Filings.

The annual financial statements for the year ended December 31, 2019 and other continuous disclosures documents (referred to above as the Annual Filings) were filed on July 31, 2020.

The interim financial statements for the three months ended March 31, 2020 and other continuous disclosures documents (referred to above as the Interim Filings) were filed on August 14, 2020.

As a result, the Company resumed trading on the Canadian Securities Exchange on August 17, 2020.

Interim Financing

On July 13, 2020, the Company's wholly-owned U.S. subsidiary, ICM, ("iAnthus SubCo") issued $14,737 in aggregate principal amount of secured debentures ("Interim Financing") to the Secured Lenders as contemplated in the Recapitalization Transaction. The secured debentures under the Interim Financing mature on July 13, 2025, are subject to a 5.0% original issue discount and accrue interest at a rate of 8.0% annually. Interest is to be paid in kind by adding the interest accrued on the principal amount on the last day of each fiscal quarter (the first such interest payment date being September 30, 2020), such amount thereafter becoming part of the principal amount and will accrue interest at a rate of 8.0%.

Interest paid in kind will be payable on the date that all of the principal amount is due and payable. ICM is not permitted to redeem, convert or prepay the Interim Financing prior to July 13, 2023 without prior written consent of the lender. Similar to the Secured Notes, the Interim Financing is secured by all current and future assets of the Company.

Event of Default and Financial Restructuring

Due to the liquidity constraints experienced by the Company subsequent to year end, the Company attempted to negotiate with the holders of the Secured Notes for temporary relief of the Company's interest obligations due March 31, 2020, however, the parties were unable to reach a satisfactory agreement. The Company did not make the March 31, 2020 interest payment totaling $4,404 to the Lenders. The Company is currently in default of the obligations under the Company's long-term debt, consisting of principal amounts at face value of $97,508 and $60,000 and accrued interest amounts as of June 30, 2020 of $7,123 and $2,400 for the Secured Notes and Unsecured Debentures, respectively. In addition, as a result of the default, the Company has accrued the Exit Fee of $12,919 in excess of the aforementioned amounts

In the event of a default, all amounts, including interest and principal, become immediately due and payable to the holders of the Secured Notes and Unsecured Notes. Furthermore, as a result of the default, the Company is required to pay the Exit Fee as described in Note 3. Upon the payment of the Exit Fee by the Company, the noteholders of the Tranche One Secured Notes are required to transfer the 3,891,051 shares issued under the $10,000 equity financing that closed concurrently with the Tranche One Secured Notes. As of the date of this report, such shares have not been transferred to the Company. Refer to Note 10 for additional details pertaining to the Secured Notes and the Unsecured Notes.

On June 22, 2020, the Company received notice from the Collateral Agent holding security for the benefit of the holders of the Company's Secured Notes, with a demand for repayment under the Secured Notes Purchase Agreement of the entire principal amount, together with interest, fees, costs and other allowable charges that have accrued or may accrue. The Collateral Agent also concurrently provided the Company with the BIA Notice under section 244 of the BIA. Pursuant to section 244 of the BIA, the Collateral Agent shall not enforce the security over the collateral granted by the Company until the expiry of 10 days after sending the BIA Notice unless the Company consents to an earlier enforcement of the security.

On July 13, 2020, the Company announced that it entered into a Restructuring Support Agreement with the Secured Lenders and a majority of the Unsecured Debentureholders to effect a proposed Recapitalization Transaction. Pursuant to the Recapitalization Transaction, the Secured Lenders, the Unsecured Debentureholders and the Existing Shareholders of the Company are to be allocated and issued, approximately, the amounts of Restructured Senior Debt (as defined below), Interim Financing, Junior Non-Convertible Unsecured Notes (as defined below) and percentage of the pro forma common equity, as presented in the following table:

(in '000s of U.S. dollars)	**Restructured Senior Debt[1]**	**Interim Financing[2]**	**8% Senior Unsecured Debentures[3]**	**Pro Forma Common Equity[4]**
Secured Lenders	$ 85,000	$ 14,737	$ 5,000	48.625%
Unsecured Debenture holders	-	-	15,000	48.625%
Existing Shareholders	-	-	-	2.75%
Total	**$ 85,000**	**$ 14,737**	**$ 20,000**	**100.00%**

1. The principal balance of the Secured Notes will be reduced to $85,000, which will be increased by the amount of the Interim Financing; first lien, senior secured position over all assets of the Company; and non-convertible; payment in kind interest at an 8% annual interest rate; maturity date of five years after the consummation of the Recapitalization Transaction; and non-callable for three years (the "Restructured Senior Debt").

2. The Secured Lenders will provide $14,737 of Interim Financing to ICM, on substantially the same terms as the Restructured Senior Debt, with a 5% original issue discount (principal to be grossed up). The Interim Financing was funded to ICM within three business days of execution of the Restructuring Support Agreement. In the event of proceedings commenced by the Company for approval of a plan of compromise and arrangement under the CCAA (the "CCAA Proceedings"), the Interim Financing amount will be increased by $1,000. The amounts of the Interim Financing advanced to ICM is expected to be converted into and the principal balance will be added to the Restructured Senior Debt upon consummation of the Recapitalization Transaction.

3. The 8% Senior Unsecured Debentures include payment in kind at an interest rate of 8%, a maturity date which will be five years after the consummation of the Recapitalization Transaction, are non-callable for three years and are subordinate to the Restructured Senior Debt but senior to our common shares.

4. Following consummation of the Recapitalization Transaction, a to-be-determined amount of equity will be made available for management, employee and director incentives, as determined by the New Board. All of our existing warrants and options will be cancelled and our common shares may be consolidated pursuant to a consolidation ratio which has yet to be determined.

5. Upon consummation of the Recapitalization Transaction, a new board of directors (the "New Board") will be composed of the following members: (i) three nominees will be designated by the Secured Lenders; (ii) three nominees will be designated by the Consenting Unsecured Lenders; and (iii) one nominee will be designated by the director nominees of the Secured Lenders and Consenting Unsecured Lenders to serve as a member of the Company's Board.

Pursuant to the terms of the proposed Recapitalization Transaction, the Collateral Agent, the Secured Lenders and the Consenting Unsecured Lenders agreed to forbear from further exercising any rights or remedies in connection with any events of default that now exist or may in the future arise under any of the purchase agreements with respect of the Secured Convertible Notes and all other agreements delivered in connection therewith, the purchase agreements with respect of the Unsecured Convertible Debentures and all other agreements delivered in connection therewith and any other agreement to which the Collateral Agent, Secured Lenders, or Consenting Unsecured Lenders are a party to (collectively, the "Defaults") and shall take such steps as are necessary to stop any current or pending enforcement efforts in relation thereto. Upon consummation of the Recapitalization Transaction, the Collateral Agent, Secured Lenders and Consenting Unsecured Lenders are also expected to irrevocably waive all Defaults and take all steps required to withdraw, revoke and/or terminate any enforcement efforts in relation thereto.

Completion of the Recapitalization Transaction will be subject to, among other things, approval of the Plan of Arrangement by the Secured Lenders, Unsecured Debentureholders and Existing Shareholders at meetings held in September 2020, such other approvals as may be required by the Court approval of the Plan of Arrangement by the Court and the receipt of all necessary regulatory and stock exchange approvals (collectively, the "Requisite Approvals"). If the Requisite Approvals are obtained, the Plan of Arrangement will bind all Secured Lenders, Unsecured Debentureholders and Existing Shareholders. On September 14, 2020, the Company held meetings to which the stakeholders approved the Plan of Arrangement. Following the stakeholder vote, on September 25, 2020, the Company attended a hearing before the Court to receive approval of the Plan of Arrangement. On October 5, 2020, the Company received final approval from the Court for the Plan of Arrangement.

Subsequent to December 31, 2019, the Company received a notice of appeal with respect to the finalapproval for the Plan of Arrangement by the Court.

Please refer to Note 2 for further discussion.

Mutual Termination of Acquisition

On July 31, 2020, the Company and WSCC, Inc. ("Sierra Well") announced the mutual termination of the merger agreement previously announced in September 2019. As a result of the prolonged timeline to achieve the necessary conditions to close combined with the adverse market conditions surrounding the industry and broader economy, the Company and Sierra Well agreed that it was in the best of interest of both parties to terminate the transaction.

Previously, in September 2019, the Company, through its wholly owned subsidiary, iA Northern Nevada, Inc., entered into an agreement to acquire Sierra Well, subject to regulatory approval. Sierra Well operates two dispensaries, two cultivation facilities and one processing facility in Nevada.

Nevada Settlement

In December 2018, GMNV was awarded four conditional adult-use dispensary licenses ("Marijuana Retail Store(s)") by the Nevada Department of Transportation ("NV DOT"). The NV DOT award of conditional adult-use Marijuana Retail Store licenses was challenged by several unsuccessful applicants in an action in Nevada state court. On July 29, 2020, the NV DOT and certain plaintiffs and intervenors, including GMNV, executed a partial settlement of the litigation pursuant to which certain intervenors are required to transfer dispensary licenses to certain plaintiffs, subject to several conditions, in consideration for an extension of the deadline to perfect the Marijuana Retail Store licenses from December 5, 2020 to February 5, 2022, among other benefits. As part of the Settlement Agreement, GMNV will transfer one of its dispensary licenses to a settling plaintiff subject to several conditions, including the resolution of the injunction preventing the NV DOT from conducting final license inspections on the intervenors in the litigation, including GMNV. On August 11, 2020, the NV DOT filed a notice to remove GMNV, among other defendants, from the list of defendants for which the NV DOT was enjoined from conducting a final inspection thereby fulfilling one of the conditions required to be completed for GMNV to transfer its license to a plaintiff in the action.

Director and Officer Resignation

On April 27, 2020, Hadley Ford resigned as a director and officer of the Company. Please see the Special Committee Formation and Employment Agreements sections for further discussion.

On August 4, 2020, Elizabeth Stavola resigned as a director and officer of the Company. Refer to the preceding Transactions with Related Parties section for further discussion.

On November 27, 2020, Patrick Tiernan resigned an officer of the Company.

Redemption of Equity Interest in RGA

Subsequent to December 31, 2019, the Company entered into an agreement with RGA who sought to redeem 229,774 Class A-1 Units for total consideration of $2,371. The Class A-1 Units had been acquired by iAnthus in 2016 and represents a 24.6% ownership interest in RGA. One of the principal shareholders of RGA who owns 35.5% of RGA, is an individual with a familial relationship with the brother of Hadley Ford, a former officer and director of the Company. This transaction is expected to result in the Company recording a gain (loss) between a gain of $100 and loss of $100, representing the difference between the carrying value of the Company's interest in RGA and the consideration from the redemption. Management believes its ownership interest in RGA was not material to the Company as of December 31, 2019.

On October 22, 2020, the Company's 24.6% equity interest in RGA was redeemed for approximately $2.4 million. RGA is owned in part by an individual with a familial relationship to Hadley Ford, a former director and officer of the Company. Refer to Note 7 for further discussion.

Exhibit 3.1

Number: **BC0985777**

BUSINESS CORPORATIONS ACT

ARTICLES

of

IANTHUS CAPITAL HOLDINGS, INC.

TABLE OF CONTENTS

Number: **BC0985777**

BUSINESS CORPORATIONS ACT

ARTICLES

of

IANTHUS CAPITAL HOLDINGS, INC.
(the "Company")

PART 1

INTERPRETATION

Definitions

1.1 In these Articles, unless the context otherwise requires:

(a) "**board of directors**", "**directors**" and "**board**" mean the directors or sole director of the Company for the time being;

(b) "**Act**" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(c) "**Interpretation Act**" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(d) "**legal personal representative**" means the personal or other legal representative of the shareholder;

(e) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

(f) "**seal**" means the seal of the Company, if any;

(g) "**share**" means a share in the share structure of the Company; and

(h) "**special majority**" means the majority of votes described in §11.2 which is required to pass a special resolution.

Act and Interpretation Act Definitions Applicable

1.2 The definitions in the Act and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and except as the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Act will prevail. If there is a conflict or inconsistency between these Articles and the Act, the Act will prevail.

PART 2

SHARES AND SHARE CERTIFICATES

Authorized Share Structure

2.1 The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

Form of Share Certificate

2.2 Each share certificate issued by the Company must comply with, and be signed as required by, the Act.

Shareholder Entitled to Certificate or Acknowledgment

2.3 Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

Delivery by Mail

2.4 Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

Replacement of Worn Out or Defaced Certificate or Acknowledgement

2.5 If a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, the Company must, on production of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as are deemed fit:

(a) cancel the share certificate or acknowledgment; and

(b) issue a replacement share certificate or acknowledgment.

Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

2.6 If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, the Company must issue a replacement share certificate or acknowledgment, as the case may be, to the person entitled to that share certificate or acknowledgment, if it receives:

(a) proof satisfactory to it of the loss, theft or destruction; and

(b) any indemnity the directors consider adequate.

Splitting Share Certificates

2.7 If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

Certificate Fee

2.8 There must be paid to the Company, in relation to the issue of any share certificate under §2.5, §2.6 or §2.7, the amount, if any, not exceeding the amount prescribed under the Act, determined by the directors.

Recognition of Trusts

2.9 Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3

ISSUE OF SHARES

Directors Authorized

3.1 Subject to the Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the consideration (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

Commissions and Discounts

3.2 The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

Brokerage

3.3 The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

Conditions of Issue

3.4 Except as provided for by the Act, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property;

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under §3.1.

Share Purchase Warrants and Rights

3.5 Subject to the Act, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4

SHARE REGISTERS

Central Securities Register

4.1 As required by and subject to the Act, the Company must maintain in British Columbia a central securities register and may appoint an agent to maintain such register. The directors may appoint one or more agents, including the agent appointed to keep the central securities register, as transfer agent for shares or any class or series of shares and the same or another agent as registrar for shares or such class or series of shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

PART 5

SHARE TRANSFERS

Registering Transfers

5.1 A transfer of a share must not be registered unless the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:

(a) except as exempted by the Act, a duly signed proper instrument of transfer in respect of the share;

(b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;

(c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and

(d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

Form of Instrument of Transfer

5.2 The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates of that class or series or in some other form that may be approved by the directors.

Transferor Remains Shareholder

5.3 Except to the extent that the Act otherwise provides, the transferor of a share is deemed to remain the holder of it until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

Signing of Instrument of Transfer

5.4 If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

Enquiry as to Title Not Required

5.5 Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares transferred, of any interest in such shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

Transfer Fee

5.6 There must be paid to the Company, in relation to the registration of a transfer, the amount, if any, determined by the directors.

PART 6

TRANSMISSION OF SHARES

Legal Personal Representative Recognized on Death

6.1 In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the Company shall receive the documentation required by the Act.

Rights of Legal Personal Representative

6.2 The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the Act and the directors have been deposited with the Company. This §6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the name of the shareholder and the name of another person in joint tenancy.

PART 7

PURCHASE OF SHARES

Company Authorized to Purchase, Redeem or Otherwise Acquire Shares

7.1 Subject to §7.2, to the special rights and restrictions attached to the shares of any class or series and to the Act, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

Purchase When Insolvent

7.2 The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

Sale and Voting of Purchased Shares

7.3 If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

Company Entitled to Purchase or Redeem Share Fractions

7.4 The Company may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company shall thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, shall direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, shall have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, under the Act and the holder were an "offeree" subject to the provisions contained in such Division, *mutatis mutandis*.

PART 8

BORROWING POWERS

8.1 The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 The powers conferred under this Part 8 shall be deemed to include the powers conferred on a company by Division VII of the*Special Corporations Powers Act* being chapter P-16 of the Revised Statutes of Quebec, 1988, and every statutory provision that may be substituted therefor or for any provision therein.

PART 9

ALTERATIONS

Alteration of Authorized Share Structure

9.1 Subject to §9.2 and the Act, the Company may by special resolution (or a resolution of the directors in the case of §9.1(c) or §9.1(f)):

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act where it does not specify by a special resolution;

and, if applicable, alter its Notice of Articles and Articles accordingly.

Special Rights and Restrictions

9.2 Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by special resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued,

and alter its Notice of Articles and Articles accordingly.

Change of Name

9.3 The Company may

(a) if the Company is a public company, by directors' resolution, authorize an alteration to its Notice of Articles, in order to change its name;

(b) if the Company is not a public company, by special resolution, authorize an alteration to its Notice of Articles, in order to change its name, and

(c) by ordinary or directors' resolution, authorize an alteration to its Notice of Articles, in order to adopt or change any translation of that name.

Other Alterations

9.4 If the Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

PART 10

MEETINGS OF SHAREHOLDERS

Annual General Meetings

10.1 Unless an annual general meeting is deferred or waived in accordance with the Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

Resolution Instead of Annual General Meeting

10.2 If all the shareholders who are entitled to vote at an annual general meeting consent in writing by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this §10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

Calling of Meetings of Shareholders

10.3 The directors may, at any time, call a meeting of shareholders.

Notice for Meetings of Shareholders

10.4 The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if the Company is a public company, 21 days;

(b) otherwise, 10 days.

Record Date for Notice

10.5 The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if the Company is a public company, 21 days;

(b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Record Date for Voting

10.6 The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

Failure to Give Notice and Waiver of Notice

10.7 The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Notice of Special Business at Meetings of Shareholders

10.8 If a meeting of shareholders is to consider special business within the meaning of §11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Place of Meetings

10.9 In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors.

PART 11

PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

Special Business

11.1 At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(ix) any other business which, under these Articles or the Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

Special Majority

11.2 The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

Quorum

11.3 Subject to the special rights and restrictions attached to the shares of any class or series of shares, and to §11.4, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

One Shareholder May Constitute Quorum

11.4 If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

Persons Entitled to Attend Meeting

11.5 In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Requirement of Quorum

11.6 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

Lack of Quorum

11.7 If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Lack of Quorum at Succeeding Meeting

11.8 If, at the meeting to which the meeting referred to in §11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting shall be deemed to constitute a quorum.

Chair

11.9 The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

Selection of Alternate Chair

11.10 If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present may choose either one of their number or the solicitor of the Company to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present or the solicitor of the Company declines to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

Adjournments

11.11 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of Adjourned Meeting

11.12 It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

Decisions by Show of Hands or Poll

11.13 Subject to the Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

Declaration of Result

11.14 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under §11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Motion Need Not be Seconded

11.15 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

Casting Vote

11.16 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

Manner of Taking Poll

11.17 Subject to §11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

Demand for Poll on Adjournment

11.18 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

Chair Must Resolve Dispute

11.19 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

Casting of Votes

11.20 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

No Demand for Poll on Election of Chair

11.21 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

Demand for Poll Not to Prevent Continuance of Meeting

11.22 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Retention of Ballots and Proxies

11.23 The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12

VOTES OF SHAREHOLDERS

Number of Votes by Shareholder or by Shares

12.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under §12.3:

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

Votes of Persons in Representative Capacity

12.2 A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

Votes by Joint Holders

12.3 If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

Legal Personal Representatives as Joint Shareholders

12.4 Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of §12.3, deemed to be joint shareholders registered in respect of that share.

Representative of a Corporate Shareholder

12.5 If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must be received:

(i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(b) if a representative is appointed under this §12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

Proxy Provisions Do Not Apply to All Companies

12.6 If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.

Appointment of Proxy Holders

12.7 Every shareholder of the Company entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than two) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Alternate Proxy Holders

12.8 A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

Proxy Holder Need Not Be Shareholder

12.9 A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under §12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

Deposit of Proxy

12.10 A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by email, if permitted by the notice calling the meeting or the information circular for the meeting.

Validity of Proxy Vote

12.11 A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Form of Proxy

12.12 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the undersigned):

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder—printed]

Revocation of Proxy

12.13 Subject to §12.14, every proxy may be revoked by an instrument in writing that is received:

(a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Revocation of Proxy Must Be Signed

12.14 An instrument referred to in §12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under §12.5.

Production of Evidence of Authority to Vote

12.15 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13

DIRECTORS

First Directors; Number of Directors

13.1 The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Act. The number of directors, excluding additional directors appointed under §14.8, is set at:

(a) subject to §(b) and §(c), the number of directors that is equal to the number of the Company's first directors;

(b) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and

(ii) the number of directors in office pursuant to §14.4;

(c) if the Company is not a public company, the most recently set of:

(i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and

(ii) the number of directors in office pursuant to §14.4.

Change in Number of Directors

13.2 If the number of directors is set under §13.1(b)(i) or §13.1(c)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to §14.8, may appoint directors to fill those vacancies.

Directors' Acts Valid Despite Vacancy

13.3 An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

Qualifications of Directors

13.4 A director is not required to hold a share as qualification for his or her office but must be qualified as required by the Act to become, act or continue to act as a director.

Remuneration of Directors

13.5 The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders.

Reimbursement of Expenses of Directors

13.6 The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

Special Remuneration for Directors

13.7 If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

Gratuity, Pension or Allowance on Retirement of Director

13.8 Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14

ELECTION AND REMOVAL OF DIRECTORS

Election at Annual General Meeting

14.1 At every annual general meeting and in every unanimous resolution contemplated by §10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under §(a), but are eligible for re-election or re-appointment.

Consent to be a Director

14.2 No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the Act;

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(c) with respect to first directors, the designation is otherwise valid under the Act.

Failure to Elect or Appoint Directors

14.3 If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by §10.2, on or before the date by which the annual general meeting is required to be held under the Act; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by §10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) when his or her successor is elected or appointed; and

(d) when he or she otherwise ceases to hold office under the Act or these Articles.

Places of Retiring Directors Not Filled

14.4 If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles but their term of office shall expire when new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

Directors May Fill Casual Vacancies

14.5 Any casual vacancy occurring in the board of directors may be filled by the directors.

Remaining Directors Power to Act

14.6 The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Act, for any other purpose.

Shareholders May Fill Vacancies

14.7 If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

Additional Directors

14.8 Notwithstanding §13.1 and §13.2, between annual general meetings or by unanimous resolutions contemplated by §10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this §14.8 must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this §14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under §14.1(a), but is eligible for re-election or re-appointment.

Ceasing to be a Director

14.9 A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to §14.10 or §14.11.

Removal of Director by Shareholders

14.10 The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

Removal of Director by Directors

14.11 The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

Nomination of Directors

14.12

(a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "**Nominating Shareholder**") (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must be give

(i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12(c); and

(ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(c).

(c) To be timely under §14.12(c), a Nominating Shareholder's notice to an officer of the Company, being either the Chief Executive Officer, the Chief Financial Officer, or the Corporate Secretary of the Company (singularly, "**an officer of the Company**"), must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(iii) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

(d) To be in proper written form, a Nominating Shareholder's notice to an officer of the Company, under §14.12(b) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Company (within the meaning of Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

(f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded

(g) For purposes of this §14.12(c):

(i) "**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) "**Applicable Securities Laws**" means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) "**Associate**", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(iv) "**Derivatives Contract**" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) "**Meeting of Shareholders**" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) "**owned beneficially**" or "**owns beneficially**" means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the an officer of the Company pursuant to this §14.12(c) may only be given by personal delivery, facsimile transmission or by email (provided that an officer of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Eastern time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(b).

PART 15

ALTERNATE DIRECTORS

Appointment of Alternate Director

15.1 Any director (an "appointor") may by notice in writing received by the Company appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

Notice of Meetings

15.2 Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

Alternate for More than One Director Attending Meetings

15.3 A person may be appointed as an alternate director by more than one director, and an alternate director:

(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a directors, once more in that capacity; and

(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

Consent Resolutions

15.4 Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

Alternate Director an Agent

15.5 Every alternate director is deemed to be the agent of his or her appointor.

Revocation or Amendment of Appointment of Alternate Director

15.6 An appointor may at any time, by notice in writing received by the Company, revoke or amend the terms of the appointment of an alternate director appointed by him or her.

Ceasing to be an Alternate Director

15.7 The appointment of an alternate director ceases when:

(a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(b) the alternate director dies;

(c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate director ceases to be qualified to act as a director; or

(e) the term of his appointment expires, or his or her appointor revokes the appointment of the alternate directors.

Remuneration and Expenses of Alternate Director

15.8 The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

PART 16

POWERS AND DUTIES OF DIRECTORS

Powers of Management

16.1 The directors must, subject to the Act and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the shareholders of the Company. Notwithstanding the generality of the foregoing, the directors may set the remuneration of the auditor of the Company.

Appointment of Attorney of Company

16.2 The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 17

INTERESTS OF DIRECTORS AND OFFICERS

Obligation to Account for Profits

17.1 A director or senior officer who holds a disclosable interest (as that term is used in the Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Act.

Restrictions on Voting by Reason of Interest

17.2 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

Interested Director Counted in Quorum

17.3 A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

Disclosure of Conflict of Interest or Property

17.4 A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Act.

Director Holding Other Office in the Company

17.5 A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

No Disqualification

17.6 No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

Professional Services by Director or Officer

17.7 Subject to the Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

Director or Officer in Other Corporations

17.8 A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the Act, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 18

PROCEEDINGS OF DIRECTORS

Meetings of Directors

18.1 The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

Voting at Meetings

18.2 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

Chair of Meetings

18.3 The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Meetings by Telephone or Other Communications Medium

18.4 A director may participate in a meeting of the directors or of any committee of the directors:

(a) in person; or

(b) by telephone or by other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

A director who participates in a meeting in a manner contemplated by this §18.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

Calling of Meetings

18.5 A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

Notice of Meetings

18.6 Other than for meetings held at regular intervals as determined by the directors pursuant to §18.1, 48 hours' notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in §24.1 or orally or by telephone.

When Notice Not Required

18.7 It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director has waived notice of the meeting.

Meeting Valid Despite Failure to Give Notice

18.8 The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

Waiver of Notice of Meetings

18.9 Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Quorum

18.10 The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

Validity of Acts Where Appointment Defective

18.11 Subject to the Act, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

Consent Resolutions in Writing

18.12 A resolution of the directors or of any committee of the directors may be passed without a meeting:

(a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Part 18 may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this §18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 19

EXECUTIVE AND OTHER COMMITTEES

Appointment and Powers of Executive Committee

19.1 The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

Appointment and Powers of Other Committees

19.2 The directors may, by resolution:

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under §(a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in §(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

Obligations of Committees

19.3 Any committee appointed under §19.1 or §19.2, in the exercise of the powers delegated to it, must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

Powers of Board

19.4 The directors may, at any time, with respect to a committee appointed under §19.1 or §19.2:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

Committee Meetings

19.5 Subject to §19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under §19.1 or §19.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 20

OFFICERS

Directors May Appoint Officers

20.1 The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

Functions, Duties and Powers of Officers

20.2 The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

Qualifications

20.3 No person may be appointed as an officer unless that person is qualified in accordance with the Act. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

Remuneration and Terms of Appointment

20.4 All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 21

INDEMNIFICATION

Definitions

21.1 In this Part 21:

(a) "**eligible party**", in relation to a company, means an individual who:

(i) is or was a director or officer of the Company;

(ii) is or was a director or officer of another corporation

(A) at a time when the corporation is or was an affiliate of the Company, or

(B) at the request of the Company; or

(iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity;

and includes, except in the definition of "eligible proceeding", the heirs and personal or other legal representatives of that individual;

(b) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(c) "**eligible proceeding**" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(d) "**expenses**" has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and

(e) "**proceeding**" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

Mandatory Indemnification of Eligible Parties

21.2 Subject to the Act, the Company must indemnify each eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in this §21.2.

Indemnification of Other Persons

21.3 Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

Authority to Advance Expenses

21.4 The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

Non-Compliance with Act

21.5 Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former *Companies Act* or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 21.

Company May Purchase Insurance

21.6 The Company may purchase and maintain insurance for the benefit of any eligible party person (or his or her heirs or legal personal representatives) against any liability incurred by him or her as such director, officer or person who holds or held such equivalent position.

PART 22

DIVIDENDS

Payment of Dividends Subject to Special Rights

22.1 The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

Declaration of Dividends

22.2 Subject to the Act, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

No Notice Required

22.3 The directors need not give notice to any shareholder of any declaration under §22.2.

Record Date

22.4 The directors must set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months.

Manner of Paying Dividend

22.5 A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

Settlement of Difficulties

22.6 If any difficulty arises in regard to a distribution under §22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

When Dividend Payable

22.7 Any dividend may be made payable on such date as is fixed by the directors.

Dividends to be Paid in Accordance with Number of Shares

22.8 All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

Receipt by Joint Shareholders

22.9 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

Dividend Bears No Interest

22.10 No dividend bears interest against the Company.

Fractional Dividends

22.11 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

Payment of Dividends

22.12 Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

Capitalization of Retained Earnings or Surplus

22.13 Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 23

ACCOUNTING RECORDS AND AUDITORS

Recording of Financial Affairs

23.1 The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the Act.

Inspection of Accounting Records

23.2 Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

Remuneration of Auditor

23.3 The directors may set the remuneration of the auditor of the Company.

PART 24

NOTICES

Method of Giving Notice

24.1 Unless the Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Act or these Articles to be sent by or to a person may be sent by:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient.

Deemed Receipt of Mailing

24.2 A notice, statement, report or other record that is:

(a) mailed to a person by ordinary mail to the applicable address for that person referred to in §24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;

(b) faxed to a person to the fax number provided by that person referred to in §24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(c) emailed to a person to the e-mail address provided by that person referred to in §24.1 is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

Certificate of Sending

24.3 A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with §24.1 is conclusive evidence of that fact.

Notice to Joint Shareholders

24.4 A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

Notice to Legal Personal Representatives and Trustees

24.5 A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in §(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

Undelivered Notices

24.6 If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to §24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 25

SEAL

Who May Attest Seal

25.1 Except as provided in §25.2 and §25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by the directors.

Sealing Copies

25.2 For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite §25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

Mechanical Reproduction of Seal

25.3 The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under §25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 26

PROHIBITIONS

Definitions

26.1 In this Part 26.1:

(a) "**designated security**" means:

(i) a voting security of the Company;

(ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(iii) a security of the Company convertible, directly or indirectly, into a security described in §(a) or §(b);

(b) "**security**" has the meaning assigned in the *Securities Act* (British Columbia); and

(c) "**voting security**" means a security of the Company that:

(i) is not a debt security; and

(ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Application

26.2 §26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

Consent Required for Transfer of Shares or Designated Securities

26.3 No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 27

SPECIAL RIGHTS AND RESTRICTIONS
COMMON SHARES

General Definitions

27.1 In this Part 27.1:

(a) "**1933 Act**" means the United States *Securities Act of 1933*, as amended from time to time.

(b) "**1934 Act**" means the United States *Securities Exchange Act of 1934*, as amended from time to time.

(c) "**Act**" means the *Business Corporations Act* (British Columbia), as amended and the regulations thereunder and, unless otherwise specified, means such act and such regulations as the same may hereafter be amended or restated from time to time and any successor legislation of comparable effect

(d) "**Articles**" means the articles, as that term is defined in the Act, of the Company.

(e) "**Board**" means the board of directors of the Company from time to time.

(f) "**Business Day**" means a day on which securities may be traded on the Canadian Securities Exchange or any other stock exchange on which the Common Shares are then listed.

(g) "**Change of Control**" means an occurrence when a majority of the directors elected at any annual or extraordinary meeting of the shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.

(h) "**Common Shares**" means the common shares in the capital of the Company.

(i) "**Conversion Notice**" means a written notice to the transfer agent of the Restricted Voting Shares, in form and substance satisfactory to the Company and the transfer agent, executed by a person registered in the records of the Company or the transfer agent, as the case may be, as a holder of the Restricted Voting Shares, or by his or her attorney duly authorized in writing and specifying the number of Restricted Voting Shares which the holder thereof desires to have converted into Common Shares, and accompanied by: (a) if share certificates were issued to such holder, the share certificate or certificates representing the Restricted Voting Shares which such holder desires to convert; (b) a letter of transmittal, direction, transfer, power of attorney and/or such other documentation as is specified by the Company or the transfer agent for the Restricted Voting Shares, acting reasonably, as being required to give full effect to the conversion duly completed and executed by the person registered in the records of the Company or the transfer agent, as the case may be, as the holder of the Restricted Voting Shares to be converted or by his or her attorney duly authorized in writing; and (c) a duly completed and executed Residency Declaration or an opinion or memorandum of counsel (which may be the Company's counsel), in form and substance satisfactory to the Company and the transfer agent, to the effect that the conversion of such Restricted Voting Shares into Common Shares would not cause the Company to become a Domestic Issuer.

(j) "**Domestic Issuer**" has the meaning ascribed thereto in Rule 902(e) of Regulation S under the 1933 Act.

(k) "**Exclusionary Offer**" means an offer to purchase Restricted Voting Shares which must be made, by reason of applicable securities legislation or by the rules or policies of a stock exchange on which any shares of the Company are listed, to all or substantially all of the holders of Restricted Voting Shares.

(l) "**Foreign Issuer**" has the meaning ascribed thereto in Rule 902(e) of Regulation S under the 1933 Act.

(m) "**Fundamental Transaction**" means a reorganization, recapitalization, reclassification, merger or amalgamation or any similar transaction involving the Company.

(n) "**Liquidation Event**" means a distribution of assets of the Company to its shareholders arising on the winding-up, liquidation or dissolution of the Company, whether voluntary or involuntary, or any other distribution of its assets for the purpose of winding up its affairs or otherwise.

(o) "**Offer**" means an offer to purchase Common Shares which must be made, by reason of applicable securities legislation or by the rules or policies of a stock exchange on which any shares of the Company are listed, to all or substantially all of the holders of Common Shares any of whom are in or whose last address as shown on the books of the Company is in a province or territory of Canada to which the relevant requirement applies.

(p) "**Offer Date**" means the date on which the Offer is made.

(q) "**Residency Declaration**" means (i) a declaration by a person attesting that such person is not a resident of the United States and (ii) any indemnity required by the Company or the transfer agent in respect of such declaration in favour of the Company from the person providing the declaration, in each case in form approved by the Company from time to time.

(r) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

(s) "**U.S. Holder Event**" means any time at which the Company is subject to the reporting requirements under Section 13(a) of the 1934 Act.

Attachment of Special Rights and Restrictions

27.2 The Common Shares shall have attached thereto the rights, privileges, restrictions set forth in this Part.

Voting

27.3 Each Common Share entitles the holder to receive notice of and to attend any meeting of shareholders and to exercise one vote for each Common Share held at all meetings of shareholders of the Company, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series. Except as provided otherwise herein or as required by law, holders of Common Shares shall vote as one class at all meetings of shareholders of the Company.

Dividends

27.4 Subject to the Act, and subject to the rights of the shares of any other class ranking senior to the Common Shares with respect to priority in the payment of dividends, the holders of Common Shares shall be entitled to receive dividends, and the Company shall pay dividends thereon, as and when declared by the Board out of moneys properly applicable to the payment of dividends in such amount and in such form as the Board may from time to time determine. All dividends declared on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding on the applicable record data for such dividend. For purposes hereof, the payment of dividends by way of a stock dividend in Common Shares on the Common Shares in the same number per share shall be considered to be a *pari passu* payment of dividends.

Liquidation Event

27.5 Subject to the rights of the shares of any other class ranking senior to the Common Shares with respect to priority upon a Liquidation Event, in the event of a Liquidation Event, the holders of Common Shares shall participate rateably in equal amounts per share, without preference or distinction, in the remaining assets of the Company.

Exhibit 10.1

iANTHUS CAPITAL HOLDINGS, INC.
AMENDED AND RESTATED OMNIBUS INCENTIVE PLAN

Dated October 15, 2018

TABLE OF CONTENTS

iANTHUS CAPITAL HOLDINGS, INC.
AMENDED AND RESTATED OMNIBUS INCENTIVE PLAN

1. Purpose.

(a) The purpose of the Plan is to attract, retain and reward those employees, directors and other individuals who are expected to contribute significantly to the success of the Corporation and its Affiliates, to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and the Corporation's shareholders and, in general, to further the best interests of the Corporation and its shareholders. The Plan is intended to comply with Section 422 of the Code (as defined below), with respect to the U.S. Participants participating in the Plan, if and when applicable, and is intended to provide for Awards which are excluded from the "salary deferral arrangement" rules in the ITA (as defined below) with respect to Canadian Employee Participants (as defined below) participating in the Plan.

(b) This Plan amends, restates, supersedes and replaces the Original Plans. All options previously granted by the Corporation under the Original Plans that are outstanding as at the Effective Date shall be deemed to be granted under the Plan and shall continue to exist subject to their existing terms and conditions. For the avoidance of doubt, nothing in the Plan or the continuance of the options granted under the Original Plans shall constitute a novation, discharge, rescission, extinguishment or substitution of the parties' rights and obligations under such options or evidence a replacement of the original options and the original options, and any certificates issued as evidence of such options, shall remain outstanding, unamended and be continued as the same options under the Plan.

2. Definitions.

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" shall mean: (i) any entity that, directly or indirectly, controls (as well as is controlled by or under common or joint control with) the Corporation, and, for the purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct the management or policies of any such entity or to veto any material decision relating to the management or policies of such entity, in each case whether through the ownership of voting securities, by contract or otherwise; or (ii) any entity in which the Corporation has a significant equity interest, in either case as determined by the Committee; provided that, unless otherwise determined by the Committee, the Shares subject to any Options or SARs that are granted to a service provider of an Affiliate constitutes "service recipient stock" for purposes of Section 409A of the Code or otherwise does not subject the Award to the excise tax under Section 409A of the Code; and further provided, that with respect to any U.S. Award that is an Option, an Affiliate shall include any "parent corporation" (as defined in Section 424(e) of the Code) and any "subsidiary corporation" (as defined in Section 424(f) of the Code); and further provided that, in respect of any Option granted to a Canadian Employee Participant, an Affiliate shall only include a corporation that deals at non-arm's length, within the meaning of the ITA, with the Corporation; and further provided that, in respect of any Deferred Stock Unit granted to a Canadian Employee Participant, an Affiliate shall only include a corporation that is related to the Corporation, within the meaning of the ITA. For the purposes of this definition, the meanings of the terms "parent," "subsidiary," "control" and "controlled by" are intended to be consistent with the meanings assigned to such terms for the purposes of registration of securities on Form S-8 under the U.S. Securities Act.

(b) "**Applicable Law**" shall mean any applicable law, including without limitation:

(i) the BCBCA; (ii) Applicable Securities Laws; (iii) the Code and the ITA; (iv) any other applicable corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, provincial, state, local or foreign; and (v) rules of the Exchange.

(c) "**Applicable Securities Laws**" shall mean: (i) the U.S. Securities Act, the U.S. Exchange Act and any rules or regulations thereunder and any applicable state securities laws; and (ii) the BCSA and the equivalent thereof in each province and territory of Canada in which the Corporation is a "reporting issuer" or the equivalent thereof, together with the regulations, rules and blanket orders of the securities commission or similar regulatory authority in each of such jurisdictions.

(d) "**Associate**" shall mean, with respect to the Corporation, an "associate" as such term is defined in section 2.22 of NI 45-106.

(e) "**Associated Consultant**" shall mean, with respect to the Corporation, an "associated consultant" as such term is defined in section 2.22 of NI 45-106.

(f) "**Award**" shall mean any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Deferred Stock Unit, annual or long-term Performance Award or Other Stock-Based Award granted under the Plan, which may, subject to the terms of the Plan, be denominated or settled in Shares, cash or in such other forms as provided for herein and in respective Award Agreements entered into regarding such Awards.

(g) "**Award Agreement**" shall mean the agreement (whether in written or electronic form) or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

(h) "**Beneficiary**" shall mean a person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death, provided that, in respect of Deferred Stock Units granted to Canadian Employee Participants, a "Beneficiary" shall only be a dependent or relation of the Canadian Employee Participant or a legal representative of such Canadian Employee Participant. If no such person is named by a Participant, such individual's Beneficiary shall be the individual's estate.

(i) "**BCBCA**" shall mean the *Business Corporations Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCBCA shall also be a reference to any successor provision promulgated thereunder.

(j) "**BCSA**" shall mean the *Securities Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCSA shall also be a reference to any successor provision promulgated thereunder.

(k) "**Blackout Period**" shall mean a period when the Participant is prohibited from trading in the Corporation's securities pursuant to Applicable Securities Laws or the Corporation's insider trading policy or other applicable policy or requirement of the Corporation.

(l) "**Board**" shall mean the board of directors of the Corporation.

(m) "**Canadian Award**" shall mean an Award granted to either a U.S. Participant or Canadian Participant pursuant to which, as applicable: (i) the exercise price of the Award is stated and payable in Canadian dollars or the basis on which it is to be settled (whether in cash or in Shares) is stated in Canadian dollars; (ii) in the case of freestanding SARs (as defined below), the base price is stated in Canadian dollars and any cash amount payable in settlement thereof shall be paid in Canadian dollars; (iii) in the case of Restricted Stock Units, Deferred Stock Units or Performance Awards, any cash amount payable in settlement thereof shall be paid in Canadian dollars; or (iv) in the case of Other Stock-Based Awards, the price or value of such Shares is stated in Canadian dollars.

(n) "**Canadian Employee Participant**" shall mean a Canadian Participant who receives an Award under the Plan by virtue of such Canadian Participant's "office or employment", within the meaning of the ITA.

(o) "**Canadian Participant**" shall mean a Participant who is a resident of Canada for the purposes of the ITA, and/or who is granted an Award under the Plan in respect of Services performed in Canada for the Corporation or any of its Affiliates.

(p) "**Change in Control**" shall mean the occurrence of:

(i) any individual, entity or group of individuals or entities acting jointly or in concert (other than the Corporation, its Affiliates or an employee benefit plan or trust maintained by the Corporation or its Affiliates, or any Corporation owned, directly or indirectly, by the shareholders of the Corporation in substantially the same proportions as their ownership of Shares of the Corporation) acquiring beneficial ownership, directly or indirectly, of more than 50% of the combined voting power of the Corporation's then outstanding securities (excluding any person who becomes such a beneficial owner in connection with a transaction described in paragraph (ii) below)

(ii) the consummation of a merger or consolidation of the Corporation or any direct or indirect Affiliate of the Corporation with any other corporation, other than a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power or the total fair market value of the securities of the Corporation or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Corporation (or similar transaction) in which no person (other than those covered by the exceptions in paragraph (i) of this definition) acquires more than 50% of the combined voting power of the Corporation's then outstanding securities shall not constitute a Change in Control of the Corporation;

(iii) a complete liquidation or dissolution of the Corporation or the consummation of any sale, lease, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of the Corporation; other than such liquidation, sale or disposition to a person or persons who beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding voting securities of the Corporation at the time of the sale; or

(iv) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Corporation are not individuals nominated by the Corporation's then-incumbent Board.

Notwithstanding the foregoing, with respect to any U.S. Award that constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a Change in Control under the Plan for purposes of payment of such U.S. Award unless such event is also a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of the Corporation within the meaning of Section 409A of the Code (with the percentages specified in Treasury Regulation Section 1.409A-3(i)(5) substituted for the percentages in Section 2(p)(i), (ii), (iii) and (iv) above, as applicable). The Committee shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control of the Corporation has occurred pursuant to the above definition or to deem any other event to be a "Change in Control", and the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation to the extent relevant to U.S. Awards awarded or granted to U.S. Participants.

(q) "**Class A Shares**" shall mean the class A convertible restricted voting shares in the authorized share structure of the Corporation provided that if the rights of any Participant are subsequently adjusted pursuant to Section 6(c) hereof, "Class A Shares" thereafter means the shares or other securities or property (except with respect to Options granted to Canadian Employee Participants) which such Participant is entitled to purchase or receive subject to such Participant's Award after giving effect to such adjustment.

(r) "**Code**" shall mean the U.S. Internal Revenue Code of 1986, as may be amended from time to time. Any reference to any section of the Code shall also be a reference to any successor provision and any treasury regulation promulgated thereunder.

(s) "**Committee**" shall mean a committee of the Board established or designated by the Board as responsible for the administration of this Plan, or the Board, to the extent that the Board administers this Plan as described in Section 5.

(t) "**Common Shares**" shall mean the common shares in the authorized share structure of the Corporation, provided that if the rights of any Participant are subsequently adjusted pursuant to Section 6(c) hereof, "Common Shares" thereafter means the shares or other securities or property (except with respect to Options granted to Canadian Employee Participants) which such Participant is entitled to purchase or receive subject to such Participant's Award after giving effect to such adjustment.

(u) "**Consultant**" shall mean, with respect to the Corporation, a "consultant" as such term is defined in section 2.22 of NI 45-106 and shall only include those persons who may participate in an "Employee Benefit Plan" as set forth in Rule 405 of the U.S. Securities Act, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Corporation from offering or selling securities to such person pursuant to the Plan in reliance on registration on Form S-8 under the U.S. Securities Act.

(v) "**Corporation**" shall mean iAnthus Capital Holdings, Inc., a corporation organized under the laws of British Columbia, or any successor corporation thereto.

(w) "**Deferred Stock Unit**" shall mean an Award granted pursuant to Section 10 that is a right to receive a cash payment equal to the Fair Market Value of a Share, or a Share as determined by the Committee, that is settled, if at all, only after the Participant's retirement, death, or cessation or termination of office or employment within the meaning of ITA Regulation 6801(d) in the case of a Canadian Employee Participant (or "separation from service" within the meaning of Code Section 409A in the case of a U.S. Participant).

(x) "**Dividend Equivalent**" shall mean a right, granted to a Participant under the Plan, to receive cash, shares, other Awards or other property equal in value to dividends paid with respect to Shares.

(y) "**Effective Date**" shall mean October 15, 2018.

(z) "**Exchange**" shall mean (i) the Canadian Securities Exchange and/or any U.S. Market, if at any time the Shares are listed or quoted for trading on any one or more of such stock exchange(s) or trading platform(s); and (ii) any one or more stock exchange(s) or trading platform(s) through which the Shares trade or are quoted for trading from time to time, and which have been designated by the Committee.

(aa) "**Executive Officer**" shall mean, for the Corporation, an "executive officer" as defined in section 1.1 of NI 45-106.

(bb) "**Fair Market Value**" shall mean, for purposes of the Plan, unless otherwise required by Applicable Law or by any applicable accounting standard for the Corporation's desired accounting for Awards, a price that is determined by the Committee, provided that such price cannot be less than:

(i) For Canadian Awards or U.S. Awards, if the Shares are listed on the Exchange, the last available closing market price of the Shares on the Exchange;

(ii) Unless prohibited by Applicable Law, Canadian Awards or U.S. Awards may be made to a Participant without regard to such Participant's domicile or residence for tax purposes. Thus, for example, U.S. Participants may receive Canadian Awards. The Corporation may take such actions with respect to its filings, records and reporting, as it deems appropriate to reflect the conversion of Awards from Canadian dollars to U.S. dollars and *vice versa*.

(iii) If the Shares are not traded, listed or otherwise reported or quoted, the Committee shall determine in good faith the Fair Market Value in whatever manner it considers appropriate taking into account the requirements of the ITA, Section 409A of the Code and any other Applicable Law.

(iv) For purposes of the grant of any Award, the applicable date shall be the date on which the Award is granted. For purposes of the exercise of any Award, the applicable date shall be the date a notice of exercise is received by the Committee or its designee, as applicable, or, if such date is not a day on which the Exchange is open, the next day that it is open.

(cc) "**Incentive Stock Option**" shall mean an option representing the right to purchase Shares from the Corporation, granted under and in accordance with the terms of Section 7, that is intended to be and is designated as an "incentive stock option" within the meaning of Section 422 of the Code.

(dd) "**Insider**" means an insider as that term is defined in the BCSA.

(ee) "**ITA**" shall mean the *Income Tax Act* (Canada) and any regulations thereunder, each as amended from time to time. Any reference to any section of the ITA shall also be a reference to any successor provision and any regulation promulgated thereunder.

(ff) "**NI 45-106**" shall mean National Instrument 45-106 - *Prospectus Exemptions*, as may be amended from time to time Any reference to any section of the NI 45-106 shall also be a reference to any successor provision promulgated thereunder.

(gg) "**Non-Employee Director**" shall mean an individual who is a member of the Board but who is not otherwise an employee or a Consultant of the Corporation or of any Affiliate at the date an Award is granted.

(hh) "**Non-Qualified Stock Option**" shall mean an option representing the right to purchase Shares from the Corporation, granted under and in accordance with the terms of Section 7, that is not an Incentive Stock Option.

(ii) "**Option**" shall mean an Incentive Stock Option or a Non-Qualified Stock Option.

(jj) "**Original Plans**" shall mean the Corporation's class A convertible restricted voting share stock option plan approved by the Board on August 28, 2017, the Corporation's common share stock option plan approved by the Board on March 11, 2016 and the 2015 equity compensation plan of iAnthus Capital Management, LLC, adopted by the Corporation on August 15, 2016.

(kk) "**Other Stock-Based Award**" shall mean an Award granted pursuant to Section 12.

(ll) "**Participant**" shall mean the recipient of an Award granted under the Plan and includes a Canadian Participant and a U.S. Participant.

(mm) "**Performance Award**" shall mean an Award granted pursuant to Section 11.

(nn) "**Performance Goals**" shall mean goals established by the Committee as contingencies for Awards to vest and/or become exercisable or distributable based on one or more performance goals. Performance Goals may be applied to either the Corporation as a whole or to a business unit or to a single or group of Affiliates, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group.

(oo) "**Performance Period**" shall mean the period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any Performance Goals specified by the Committee with respect to such Award are measured or must be satisfied.

(pp) "**Permitted Assign**" shall mean, with respect to the Corporation, a "permitted assign" as such term is defined in section 2.22 of NI 45-106.

(qq) "**Plan**" shall mean this Amended and Restated Omnibus Incentive Plan of the Corporation, as the same may be amended or supplemented from time to time.

(rr) "**Related Person**" shall mean, with respect to the Corporation, a "related person" as such term is defined in section 2.22 of NI 45-106.

(ss) "**Restricted Stock**" shall mean any Share granted under Section 9.

(tt) "**Restricted Stock Unit**" shall mean an Award granted pursuant to Section 9.

(uu) "**SAR**" or "**Stock Appreciation Right**" shall mean an Award granted pursuant to Section 8.

(vv) "**Security Based Compensation Arrangement**" shall mean any compensation or incentive arrangement which involves the issuance or potential issuance of securities of the Corporation from treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise.

(ww) "**Service**" shall mean the active performance of services for the Corporation or an Affiliate by a person who is an employee, Consultant or director of the Corporation or an Affiliate. Notwithstanding the foregoing, with respect to any Award that is characterized as "nonqualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a termination of "Service" under the Plan for purposes of payment of such Award unless such event is also a "separation from service" within the meaning of Section 409A of the Code.

(xx) "**Shares**" shall mean, as determined by the Committee at the time of the grant of an Award and as the context may require, the Common Shares or the Class A Shares.

(yy) "**Substitute Awards**" shall mean Awards granted in assumption of, or in substitution for, outstanding awards previously granted by a corporation or other entity acquired by the Corporation or with which the Corporation combines.

(zz) "**Transfer**" shall mean: (i) when used as a noun, any direct or indirect transfer, sale, assignment, pledge, hypothecation, encumbrance or other disposition (including the issuance of equity in any entity), whether for value or no value and whether voluntary or involuntary (including by operation of law); and (ii) when used as a verb, to directly or indirectly transfer, sell, assign, pledge, encumber, charge, hypothecate or otherwise dispose of (including the issuance of equity in any entity) whether for value or for no value and whether voluntarily or involuntarily (including by operation of law). "**Transferred**" and "**Transferable**" shall have a correlative meaning.

(aaa) "**U.S. Award**" shall mean an Award granted to either a U.S. Participant or a Canadian Participant pursuant to which, as applicable: (i) in the case of Options (including tandem SARs (as defined below)), the exercise price of the Award is stated and payable in United States dollars (and in the case of tandem SARs, any cash amount payable in settlement thereof shall be paid in United States dollars), (ii) in the case of freestanding SARs (as defined below), the base price is stated in United States dollars and any cash amount payable in settlement thereof shall be paid in United States dollars; (iii) in the case of Restricted Stock Units, Deferred Stock Units or Performance Awards, any cash amount payable in settlement thereof shall be paid in United States dollars; or (iv) in the case of Other Stock-Based Awards the price or value of such Shares is stated in United States dollars.

(bbb) **"U.S. Exchange Act**" shall mean the Securities Exchange Act of 1934, as may be amended from time to time. Any reference to any section of the U.S. Exchange Act shall also be a reference to any successor provision promulgated thereunder.

(ccc) **"U.S. Market**" shall mean a U.S. national securities exchange (including without limitation, the New York Stock Exchange, NYSE American or NASDAQ) and/or the OTCQX or OTCQB Marketplace, or successor exchanges or platforms.

(ddd) "**U.S. Participant**" shall mean a Participant who is resident or citizen of the United States for the purposes of the Code and/or who is subject to taxation under the Code in respect of any Award awarded or granted under the Plan.

(eee) "**U.S. Securities Act**" shall mean the United States Securities Act of 1933, as may be amended from time to time. Any reference to any section of the U.S. Securities Act shall also be a reference to any successor provision promulgated thereunder.

3. Extended Meanings.

(a) In this Plan, words importing the singular number include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term "including" means "including without limiting the generality of the foregoing".

(b) In this Plan, references to any document, instrument or agreement: (i) shall include all exhibits, schedules and other attachments thereto; (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof; and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified, restated and supplemented from time to time and in effect at any given time; provided, however, in the cases of (ii) and (iii), to the extent applicable, in accordance with the provisions hereof.

(c) In this Plan, references to a decision or a determination made or to be made or the exercise of power or authority by the Committee shall mean any such decisions or determinations made or to be made or exercise of power or authority by the Committee using its discretion, and in this Plan, references to "discretion" shall mean sole, absolute and unfettered discretion.

(d) In this Plan, where references are made to dismissal from or termination of employment or Service with or without "cause", "cause" shall have the meaning set out in any employment, consulting, non-competition or non-disclosure agreement or any other agreement pursuant to which the Participant is employed by or provides Services to the Corporation or its Affiliate, and if no such agreement exists "cause" shall have the meaning as determined by the Committee, using its discretion or as set forth in the applicable Award Agreement.

4. Eligibility.

(a) Any employee, officer, director, Consultant or, subject to Applicable Law, other advisor of, or any other individual who provides Services to, the Corporation or any Affiliate, shall be eligible to receive an Award under the Plan. All Awards shall be granted by an Award Agreement. Notwithstanding the foregoing, only eligible employees of the Corporation and its Affiliates (as determined in accordance with Section 422(b) of the Code (and Sections 424(e) and 424(f) of the Code with respect to Incentive Stock Options) in the case of employees who are U.S. Participants) are eligible to be granted Incentive Stock Options under the Plan and no Canadian Participant, other than a Canadian Employee Participant, shall be eligible to be granted Deferred Stock Units under the Plan. Eligibility for the grant of Awards and actual participation in the Plan shall be determined by the Committee.

(b) An individual who has agreed to accept employment by the Corporation or an Affiliate shall be deemed to be eligible for Awards hereunder as of the date of such acceptance; provided that vesting and exercise of Awards granted to such individual are conditional on such individual actually becoming an employee of the Corporation or an Affiliate.

(c) Holders of options and other types of incentive awards granted by a corporation or any other entity acquired by the Corporation or with which the Corporation combines are eligible for grant of Substitute Awards hereunder.

5. Administration.

(a) The Plan shall be administered by the Committee, in its discretion. Subject to the terms of the Plan and Applicable Law, the Committee shall have the authority to: (i) adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan and perform all acts, including the delegation of its responsibilities (to the extent permitted by Applicable Law), as it shall, from time to time, deem advisable; (ii) construe and interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Award Agreement); and (iii) otherwise supervise the administration of the Plan. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement relating thereto in the manner and to the extent it shall deem necessary to implement the purpose and intent of the Plan. The Committee may adopt special guidelines and provisions for persons who are residing in or employed in, or subject to, the taxes of, any domestic or foreign jurisdictions to comply with Applicable Law of such domestic or foreign jurisdictions.

(b) Subject to the terms of the Plan and Applicable Law and in addition to those authorities provided in Section 5(a) and elsewhere in this Plan, the Committee (or its delegate) shall have full power and discretion to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Plan; (iii) determine the number of Common Shares or Class A Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) any one or more of the Awards, including whether an Award shall be a Canadian Award or a U.S. Award; (iv) authorize and approve the applicable form and determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award Agreement and Award granted hereunder (including the exercise price (if any), the exercise period, any termination provisions, any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the Common Shares or Class A Shares relating thereto, based on such factors, if any, as the Committee shall determine); (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Common Shares, Class A Shares, other securities, or other Awards, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Common Shares, Class A Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee, taking into consideration the requirements of Section 409A of the Code; (vii) determine whether to require a Participant, as a condition of the granting of any Award, to not sell or otherwise dispose of securities acquired pursuant to the exercise of an Award for a period of time as determined by the Committee following the date of the grant of such Award; (viii) determine whether an Option is an Incentive Stock Option or Non-Qualified Stock Option; (ix) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (xi) permit accelerated vesting or lapse of restrictions of any Award at any time; and (xii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) All decisions of the Committee shall be final, conclusive and binding on all parties, including the Corporation, the shareholders of the Corporation and the Participants (including Beneficiaries).

(d) The Committee shall exercise its discretion in good faith in accordance with the Corporation's intention that the terms of Awards and the modifications or waivers permitted hereby are in compliance with Applicable Law.

(e) Notwithstanding the foregoing, the Committee shall not have any discretion under this Section 5, Section 6 and Section 16 or any other provision of the Plan that would modify the terms or conditions of any: (i) Award that is intended to be exempt from the definition of "salary deferral arrangement" in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt; or (ii) Option granted to a Canadian Employee Participant if the exercise of such discretion would cause the Option to not be or cease to be governed by section 7 of the ITA.

(f) No member of the Committee or the Board generally shall be liable for any action or determination made in good faith pursuant to the Plan or any instrument of grant evidencing any Award granted under the Plan. To the fullest extent permitted by Applicable Law, the Corporation shall indemnify and save harmless, and shall advance and reimburse the expenses of, each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Committee or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.

6. Shares Available for Awards; Per Person Limitations.

(a) Subject to adjustment as provided below, the maximum number of Shares available for issuance under the Plan shall not exceed 20% of the aggregate number of issued and outstanding Class A Shares and Common Shares from time to time when taken together with all Security Based Compensation Arrangements of the Corporation; provided that all Shares reserved and available under the Plan from time to time shall constitute the maximum number of Shares that can be issued for Incentive Stock Options. With respect to Stock Appreciation Rights settled in Shares, on settlement, only the number of Shares delivered to a Participant (based on the difference between the Fair Market Value of the Shares subject to such Stock Appreciation Right on the date such Stock Appreciation Right is exercised and the base price of each Stock Appreciation Right on the date such Stock Appreciation Right was granted) shall count against the aggregate and individual share limitations set forth under this Section 6 and Section 22, if applicable. If any Option, Stock Appreciation Right or Other Stock-Based Awards granted under the Plan expires, terminates or is canceled for any reason without having been exercised in full, the number of Shares underlying any unexercised Award shall again be available for the purpose of Awards under the Plan. If any shares of Restricted Stock, Performance Awards or Other Stock-Based Awards denominated in Shares granted under the Plan to a Participant are forfeited for any reason, the number of forfeited shares of Restricted Stock, Performance Awards or Other Stock-Based Awards denominated in Shares shall again be available for purposes of Awards under the Plan. Any Award under the Plan settled in cash shall not be counted against the foregoing maximum share limitations. On exercise of any Option, Stock Appreciation Right or Other Stock-Based Awards granted under the Plan, the number of Shares underlying such Award shall again be available for the purpose of Awards under the Plan.

(b) Where the Corporation elects to issue Shares pursuant to an Award, such Shares may consist, in whole or in part, of authorized and unissued Shares or Shares purchased on the open market, provided that, notwithstanding any provision in the Plan to the contrary, all Options granted to Canadian Employee Participants governed by Section 7 of the ITA shall be settled by way of the issuance of previously unissued Shares from treasury of the Corporation. For greater certainty, except where an Award is explicitly stated to be required to be settled in Shares: (i) no Participant shall have any right to demand, be paid in, or receive Shares in respect of any Award; and (ii) notwithstanding any election by the Corporation to settle any Award, or portion thereof, in the form of Shares, the Corporation reserves the right to change its election in respect thereof at any time until payment is actually made.

(c) Adjustments.

(i) The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the shareholders of the Corporation to make or authorize: (A) any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business; (B) any arrangement, merger or consolidation of the Corporation or any Affiliate; (C) any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Shares; (D) the dissolution or liquidation of the Corporation or of any Affiliate; (E) any sale or transfer of all or part of the assets or business of the Corporation or any Affiliate; or (F) any other corporate act or proceeding.

(ii) Subject to Section 5(d), if there shall occur any such change in the capital structure of the Corporation by reason of any stock split, reverse stock split, stock dividend, extraordinary dividend, subdivision, combination or reclassification of shares that may be issued under the Plan, any recapitalization, any arrangement, any merger, any amalgamation, any consolidation, any substitutions, any spin off, any reorganization or any partial or complete liquidation, or any other corporate transaction or event having an effect similar to any of the foregoing (a "**Corporate Event**"), then: (i) the aggregate number and/or kind of shares that thereafter may be issued under the Plan; (ii) the number and/or kind of shares or other property (including cash) to be issued on exercise of an outstanding Award granted under the Plan; and/or (iii) the exercise price thereof, shall be appropriately adjusted. In addition, subject to Section 5(d), if there shall occur any change in the capital structure or the business of the Corporation that is not a Corporate Event (an "**Other Extraordinary Event**"), including by reason of any ordinary dividend (whether cash or shares), any conversion, any adjustment, any issuance of any class of securities convertible or exercisable into, or exercisable for, any class of shares, or any sale or transfer of all or substantially all of the Corporation's assets or business, then the Committee may adjust any Award and make such other adjustments to the Plan. Any adjustment pursuant to this Section 6(c) shall be consistent with the applicable Corporate Event or the applicable Other Extraordinary Event, as the case may be, and in such manner as the Committee may, in its discretion, deem appropriate and equitable to prevent substantial dilution or enlargement of the rights granted to, or available for, Participants under the Plan; and, with respect to U.S. Participants, compliant with Section 409A of the Code. Any such adjustment determined by the Committee shall be compliant with Applicable Law and final, binding and conclusive on the Corporation and all Participants and their respective heirs, executors, administrators, successors and permitted assigns. Except as expressly provided in this Section 6(c) or in the applicable Award Agreement, a Participant shall have no rights by reason of any Corporate Event or any Other Extraordinary Event.

(iii) Notice of any adjustment shall be given by the Committee to each Participant whose Award has been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

(d) All calculations under this Section 6 shall be, in the case of exercise price or base price, rounded up to the nearest cent or, in the case of Shares, rounded down to the nearest one-hundredth of a share, but in no event shall the Corporation be obligated to issue any fractional share.

(e) Notwithstanding any provision of the Plan to the contrary, if authorized but previously unissued Shares are issued under the Plan, such shares shall not be issued for a consideration that is less than as permitted under Applicable Law.

7. Options.

The Committee is hereby authorized to grant Options to Participants and each Option granted shall be evidenced by an Award Agreement in substantially the form as may be approved by the Committee. Incentive Stock Options must be granted within ten years from the earlier of: (i) the date the Plan was adopted by the Board (i.e., the Effective Date); or (ii) the date the Plan was approved by the Corporation's shareholders. Each Award Agreement shall separately designate whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option, and shall include the following terms and conditions and such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine, in its discretion:

(a) The number and kind of Shares for which any Option may be granted shall be determined by the Committee. The number of Shares which may be purchased on the exercise of any Option shall be subject to adjustment pursuant to Section 6(c) hereof.

(b) Each Award Agreement shall specify the exercise price per Share, as determined by the Committee at the time the Option is granted; provided, however, that, except in the case of Substitute Awards, such exercise price shall not be less than 100% (or not less than 110% in the case of an Incentive Stock Option granted to an employee who is a U.S. Participant owning more than 10% of the total combined voting power of all classes of shares of the Corporation, its subsidiaries or its parent, determined in accordance with Section 422(b)(6) of the Code, hereinafter a "**10% Shareholder**") of the greater of: (i) the Fair Market Value of a Share on the date of grant of such Option; and (ii) the Fair Market Value of a Share on the trading day prior to the date of grant of such Option, which grant shall occur after the close of the Exchange on the grant date.

(c) Each Award Agreement shall specify the term for which the Option thereunder is granted and shall provide that such Option shall expire at the end of such term; provided, however, that the term (measured from the grant date) of an Incentive Stock Option shall not exceed ten years or five years for an Incentive Stock Option to a 10% Shareholder. If the term of an Option (other than an Incentive Stock Option) held by any Participant not subject to Section 409A of the Code would otherwise expire during, or within two business days of the expiration of a Blackout Period applicable to such Participant, then the term of such Option shall be extended to the earlier of the end of such Blackout Period or, provided the Blackout Period has ended, the expiry date.

(d) Each Award Agreement shall specify when the Option is exercisable. The total number of Shares subject to an Option may, but need not, be allotted in periodic installments (which may, but need not, be equal). An Award Agreement may provide that from time to time during each of such installment periods, the Option may become exercisable ("**vest**") with respect to some or all of the Shares allotted to that period, and may be exercised with respect to some or all of the Shares allotted to such period or any prior period as to which the Option shall have become vested but shall not have been fully exercised. An Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee deems appropriate. Incentive Stock Options must be exercised no later than: (i) three months following an employee's termination of employment other than a termination for death or disability; (ii) one year following an employee's termination due to total and permanent disability; and (iii) prior to the Incentive Stock Option's expiration date if the employee's employment terminates due to death.

(e) To the extent vested and exercisable, Options may be exercised in whole or in part at any time during the Option term, by giving written notice of exercise to the Committee specifying the number of Shares to be purchased. Such notice shall be accompanied by payment in full of the exercise price (the "**Option Price**") as follows: (i) by certified cheque, bank draft or money order payable to the order of the Corporation; (ii) solely to the extent permitted by Applicable Law, if the Shares are traded on the Exchange, and the Committee authorizes, through a procedure whereby the Participant delivers irrevocable instructions to: (A) a broker reasonably acceptable to the Committee to deliver promptly to the Corporation the aggregate amount of sale proceeds to pay the Option Price and any withholding tax obligations that may arise in connection with the Award; and (B) the Corporation to deliver the certificates for such purchased shares directly to such brokerage firm, all in accordance with the regulations of any relevant regulatory authorities; or (iii) on such other terms and conditions as may be acceptable to the Committee (including, without limitation, having the Corporation withhold Shares issuable on exercise of the Option, or by payment in full or in part in the form of Shares owned by the Participant, based on the Fair Market Value of the Shares on the payment date as determined by the Committee, provided that this alternative (iii) shall not apply in respect of Shares owned by a Canadian Employee Participant which were acquired on the exercise of an Option within the preceding 24 months). No Shares shall be issued until payment therefor, as provided herein, has been made or provided for.

(f) Notwithstanding Section 7(e), with the approval of the Committee, a Participant may elect to exercise an Option, in whole or in part, without payment of the aggregate Option Price due on such exercise by electing to receive Shares equal in value to the difference between the Option Price and the Fair Market Value on the date of exercise computed by using the following formula, with either a partial or full deduction of the number of underlying Shares from the Plan reserve:

$$X = \frac{Y\ (A-B)}{A}$$

Where:

X = the number of Shares to be issued to the Participant on the net settlement described above;

Y = the number of Shares purchasable under the Option (at the date of such calculation);

A = Fair Market Value of one Share of the Corporation (at the date of such calculation, if greater than the Option Price); and

B = Option Price (as adjusted to the date of such calculation)

In the event that the Shares are not listed on the Exchange as at the date of an exercise of an Option, it shall be a condition precedent to the exercise of any Option that the Participant agree to be bound by the terms of any unanimous shareholders agreement or similar agreements generally applicable to all of the shareholders of the Corporation then in force, if any, and further that the Participant agree to enter into voting trust generally applicable to employee shareholders of the Corporation then in force and provide a power of attorney in support of such voting trust.

Notwithstanding any of the provisions in the Plan or in any Award, the provisions above that relate to net settlement shall not apply to a Canadian Participant except to the extent that the Corporation and the Canadian Participant agree to have such provisions apply.

(g) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder. To the extent that the aggregate Fair Market Value (determined as of the time of grant) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by an employee who is a U.S. Participant during any calendar year under the Plan and/or any other stock option plan of the Corporation, any subsidiary or any parent exceeds $100,000, such Options shall be treated as Non-Qualified Stock Options. Should any provision of the Plan not be necessary in order for the Options to qualify as Incentive Stock Options, or should any additional provisions be required, the Committee may amend the Plan accordingly, without the necessity of obtaining the approval of the shareholders of the Corporation, subject to the rules of the Exchange. To the extent that any such Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), such Option or the portion thereof which does not so qualify shall constitute a separate Non-Qualified Stock Option. An Incentive Stock Option shall not be transferable by an employee who is a U.S. Participant except by last will and testament or by the laws of descent and distribution; and shall be exercisable during the lifetime of such employee only by the employee (or the employee's guardian or legal representative to the extent permitted by Section 422 of the Code or any successor provision).

(h) Each Award Agreement may, but is not required to, include provisions whereby the Corporation shall have the right, subject to Applicable Law, to repurchase any and all Shares acquired by a Participant on exercise of any Option granted under the Plan, at such price and on such other terms and conditions as the Committee may approve and as may be set forth in the Award Agreement; provided that, in respect of any Option granted to a Canadian Employee Participant who would otherwise be eligible for preferential tax treatment under paragraph 110(1)(d) of the ITA in respect of such Option, the applicable Award Agreement shall provide that any such repurchase right cannot be exercised until: (i) two years plus a day following the exercise of the Option; or (ii) after termination or resignation of the Participant, whenever such termination may occur and whether such termination is voluntary or involuntary, with cause or without cause, without regard to the reason therefor, if any.

(i) No Participant or any other person claiming through a Participant shall be entitled to any benefit hereunder in respect of any Options prior to the vesting date of such Options.

8. Stock Appreciation Rights.

The Committee is hereby authorized to grant SARs to Participants and each SAR granted shall be evidenced by an Award Agreement in substantially the form as may be approved by the Committee. Each such Award Agreement shall include the following terms and conditions and such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine, in its discretion:

(a) A SAR shall represent a right to receive, on exercise by the Participant, the excess of the Fair Market Value of one Share on the date of exercise over the base price of the SAR on the date of grant, or if granted in connection with an outstanding Option on the date of grant of the related Option, as specified by the Committee, which, except in the case of Substitute Awards, shall not be less than the greater of: (i) the Fair Market Value of a Share on such date of grant of the SAR or the related Option, as the case may be; and (ii) the Fair Market Value of a Share on the trading day prior to such date of grant of the SAR or the related Option, as the case may be.

(b) Each Award Agreement shall specify whether a SAR is granted to Participants either alone ("**freestanding**") or in addition to other Awards granted under the Plan ("**tandem**") and whether it relates to specific Options granted under Section 7.

(c) Any tandem SAR related to an Option shall be granted at the same time such Option is granted to the Participant. In the case of any tandem SAR related to any Option, the SAR or applicable portion thereof shall not be exercisable until the related Option or applicable portion thereof is exercisable and shall terminate and no longer be exercisable on the termination or exercise of the related Option, except that a SAR granted with respect to less than the full number of Shares covered by a related Option shall not be reduced until the exercise or termination of the related Option exceeds the number of Shares not covered by the SAR. Any Option related to any tandem SAR shall no longer be exercisable to the extent the related SAR has been exercised.

(d) A freestanding SAR shall not have a term of greater than ten years or, unless it is a Substitute Award, a base price less than 100% of the greater of: (i) the Fair Market Value of the Share on the date of grant; and (ii) the Fair Market Value of the Share on the trading day prior to the date of grant, which grant shall occur after the close of the Exchange on the grant date. Notwithstanding the foregoing, if the term of a SAR held by any Participant not subject to Section 409A of the Code would otherwise expire during, or within two business days of the expiration of a Blackout Period applicable to such Participant, then the term of such SAR shall be extended to the earlier of the end of such Blackout Period or, provided the Blackout Period has ended, the expiry date.

(e) For greater certainty and notwithstanding anything in the Plan or in an Award Agreement, a SAR shall be granted to a Canadian Participant solely in respect of the Services of such Canadian Participant to be rendered subsequent to the date of grant to the Corporation and its Affiliates. The Committee may only grant a SAR to a Canadian Participant so long as none of the main purposes of such grant is to provide the Canadian Participant with a payment that is in lieu of salary or wages of the Canadian Participant for Services rendered by such Canadian Participant in a previous calendar year.

(f) For greater certainty, no SAR granted hereunder shall have any value prior to the vesting date of the SAR. No Participant or any other person claiming through a Participant shall be entitled to any benefit hereunder in respect of any SARs prior to the vesting date of such SARs.

9. Restricted Stock and Restricted Stock Units.

The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants and each Restricted Stock and Restricted Stock Unit granted shall be evidenced by an Award Agreement in substantially the form as may be approved by the Committee. Each such Award Agreement shall include the following terms and conditions and such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine, in its discretion:

(a) Each Restricted Stock Unit shall represent a right to receive a cash payment equal to the Fair Market Value of one Share or, at the Committee's discretion, one Share.

(b) Subject to the remainder of this Section 9, Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to receive any dividend or Dividend Equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. Subject to the terms of the Award Agreement, if required by Applicable Law, Participants holding Restricted Stock granted hereunder shall have the right to exercise full voting rights with respect to those Restricted Stock during any period of restriction. For greater certainty, a Participant shall have no voting rights or other rights of a shareholder with respect to any Restricted Stock Units granted hereunder.

(c) (i) all Restricted Stock Units granted to U.S. Participants shall be in compliance with Section 409A of the Code; and (ii) all Restricted Stock Units granted to Canadian Employee Participants shall have terms and conditions necessary to ensure that such Restricted Stock Units comply, at all times, with the requirements of paragraph (k) of the exception to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA or are governed by the provisions of section 7 of the ITA.

(d) Any share of Restricted Stock granted under the Plan may be evidenced in such manner as the Committee may deem appropriate including, without limitation, book-entry registration or issuance of a share certificate or certificates. In the event any share certificate is issued in respect of shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock. If share certificates are issued in respect of shares of Restricted Stock, the Committee may require that any share certificates evidencing such Shares be held in custody by the Corporation until the restrictions thereon shall have lapsed, and that, as a condition of any grant of Restricted Stock, the Participant shall have delivered a duly signed stock power or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Corporation, which would permit transfer to the Corporation of all or a portion of the shares subject to the Restricted Stock Award in the event that such Award is forfeited in whole or part.

(e) The Committee may, when it finds that a waiver would be in the best interests of the Corporation, waive in whole or in part any or all restrictions with respect to Shares of Restricted Stock or Restricted Stock Units.

(f) The Committee may award Dividend Equivalents with respect to Awards of Restricted Stock Units. The entitlements on (and, with respect to U.S. Participants, the payment of) such Dividend Equivalents shall not be available until the vesting of the Award of Restricted Stock Units.

(g) The Corporation or the Committee may, at its discretion, establish a trust governed by Section 7(2) of the ITA in respect of any Restricted Stock awarded to Canadian Employee Participants.

(h) No Participant or any other person claiming through a Participant shall be entitled to any benefit hereunder in respect of any Restricted Stock or Restricted Stock Units prior to the vesting date of such Restricted Stock or Restricted Stock Units.

10. Deferred Stock Unit.

The Committee is hereby authorized to grant Awards of Deferred Stock Units to Participants and each Deferred Stock Unit granted shall be evidenced by an Award Agreement in substantially the form as may be approved by the Committee. Each such Award Agreement shall include the following terms and conditions and such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine, in its discretion:

(a) Subject to the remainder of this Section 10, Deferred Stock Units shall be settled on expiration of the deferral period specified for an Award of Deferred Stock Unit by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Deferred Stock Units shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, and under such other circumstances as the Committee may determine at the date of grant or thereafter. Deferred Stock Units may be satisfied by delivery of a cash payment, Shares, other Awards, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(b) The Committee may award Dividend Equivalents with respect to Awards of Deferred Stock Units. The entitlements on such Dividend Equivalents shall not be available until the expiration of the deferral period for the Award of Deferred Stock Units.

(c) (i) all Deferred Stock Units granted to U.S. Participants shall be in compliance with Section 409A of the Code; and (ii) all Deferred Stock Units granted to Canadian Participants shall have terms and conditions necessary to ensure that such Deferred Stock Units comply, at all times, with the requirements of Regulation 6801(d) and paragraph (l) of the exception to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA or are governed by the provisions of section 7 of the ITA.

(d) Except as otherwise provided in the Award Agreement, each Participant shall be entitled to redeem his or her Deferred Stock Units during the period commencing on the business day immediately following the date of resignation or termination of such Participant and ending on the 90th day after the Participant ceases to be an employee, officer or director of the Corporation or any Affiliate (within the meaning of that term in Income Tax Folio S2-F1-C2, *Retiring Allowances*, or any successor publication thereto) of the Corporation by providing a written notice of redemption, on a prescribed form, to the Committee (the "**Redemption Date**"). In the event of death of a Participant, the notice of redemption shall be filed by the administrator, liquidator or executor of the estate of the Participant. For greater certainty, the administrator, liquidator or executor shall have a maximum of 180 days following the date of resignation or termination of the Participant to provide such written notice. In the case of a U.S. Participant and except as otherwise provided in an Award Agreement, however, the redemption shall be deemed to be made on the earlier of: (i) March 15th of the year following the year of a "separation from service" within the meaning of Section 409A of the Code; or (ii) within 90 days of the U.S. Participant's death, or retirement from, or loss of office or employment with the Corporation, within the meaning of paragraph 6801(d) of the regulations under the ITA, including the Participant's resignation, retirement, removal from the Board, death or otherwise.

(e) No Participant or any person who deals at non-arm's length, within the meaning of the ITA, with the Participant, shall be entitled, under the Plan or otherwise, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purposes of reducing the impact, in whole or in part, of any reduction in the Fair Market Value of the Shares.

(f) No Participant or any other person claiming through a Participant shall be entitled to any benefit hereunder in respect of any Deferred Stock Units prior to the vesting date of such Deferred Stock Units.

11. Performance Awards.

The Committee is hereby authorized to grant Performance Awards to Participants payable on the attainment of specific Performance Goals and each Performance Award granted shall be evidenced by an Award Agreement in substantially the form as may be approved by the Committee. Each such Award Agreement shall include the following terms and conditions and such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine, in its discretion:

(a) If the Performance Award is payable in shares of Restricted Stock, such shares shall be transferable to the Participant only on attainment of the relevant Performance Goal and in accordance with Section 9. If the Performance Award is payable in cash, it may be paid on the attainment of the relevant Performance Goals either in cash or in shares of Restricted Stock (based on the then current Fair Market Value of such shares), as determined by the Committee.

(b) At the expiration of the applicable Performance Period, the Committee shall determine the extent to which the Performance Goals established by the Committee are achieved and the percentage of each Performance Award that has been earned.

(c) Subject to the applicable provisions of the Award Agreement and the Plan, Performance Awards may not be Transferred during the Performance Period.

(d) The Committee may award Dividend Equivalents with respect to Performance Awards. The entitlements on such Dividend Equivalents shall not be available until the expiration of the applicable Performance Period.

(e) Following the Committee's determination in accordance with Section 11(b) the Corporation shall settle Performance Awards, in such form (including, without limitation, in Shares or in cash) as determined by the Committee, in an amount equal to such Participant's earned Performance Awards. Notwithstanding the foregoing, the Committee may award an amount less than the earned Performance Awards and/or subject the payment of all or part of any Performance Award to additional vesting, forfeiture and deferral conditions as it deems appropriate.

(f) Subject to the applicable provisions of the Award Agreement and the Plan, on a Participant's termination of Service for any reason during the Performance Period for a given Performance Award, the Performance Award in question shall vest or be forfeited in accordance with the terms and conditions established by the Committee on the date of the grant of the Performance Award.

(g) Based on Service, performance and/or such other factors or criteria, if any, as the Committee may determine, the Committee may, at or after grant, due to such Service, performance and/or such other factors or criteria relating to the Participant's performance to date accelerate on a pro rata basis the vesting of all or any part of any Performance Award.

(h) When and if Performance Awards become payable, a Participant having received the grant of such units shall be entitled to receive payment from the Corporation in settlement of such units in cash, Shares of equivalent value (based on the Fair Market Value, subject to Applicable Law), in some combination thereof, or in any other form determined by the Committee. With respect to any Canadian Participant, the Corporation shall deliver the payout in settlement of any Performance Award to such Canadian Participant by or before December 31 of the third year following the year of the grant.

(i) No Participant or any other person claiming through a Participant shall be entitled to any benefit hereunder in respect of any Performance Awards prior to the vesting date of such Performance Awards.

12. Other Stock-Based Awards.

The Committee is authorized, subject to limitations under Applicable Law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, Awards with value and payment contingent on performance of the Corporation or business units thereof, Shares awarded purely as a bonus and not subject to restrictions or conditions, or any other factors designated by the Committee. The Committee shall, in its discretion, determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 12 shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Shares, other Awards, notes, or other property, as the Committee shall determine. Unless otherwise determined by the Committee in an Award Agreement, the recipient of an Award under this Section 12 shall not be entitled to receive, currently or on a deferred basis, dividends or Dividend Equivalents in respect of the number of Shares covered by the Award. In all cases, such dividends or Dividend Equivalents would not become payable until the expiration of any applicable performance period.

13. Effect of Termination of Service on Awards.

(a) The Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, the circumstances in which Awards shall be exercised, vested, paid, repurchased or forfeited in the event a Participant ceases to provide Service to the Corporation or any Affiliate prior to the end of a performance period or exercise or settlement of such Award.

(b) Except as otherwise provided in Section 7(d) or by the Committee in an Award Agreement:

(i) if a Participant resigns their office or employment, or the employment of a Participant is terminated, or a Participant's contract as a Consultant terminates, only the portion of the Awards (except for Deferred Stock Units granted to Canadian Employee Participants) that has vested and is exercisable at the date of any such resignation or termination may be exercised by the Participant during the period ending 30 days after the date of resignation or termination, as applicable, after which period all Awards expire;

(ii) if a Participant resigns their office or employment, or the employment of a Participant is terminated, or a Participant's contract as a Consultant terminates, the portion of the Awards (except for Deferred Stock Units granted to Canadian Employee Participants) that has not vested and is not exercisable at the date of any such resignation or termination shall expire on the date of any such resignation or termination;

(iii) any Awards (except Deferred Stock Units), whether vested or unvested, shall expire immediately on the Participant being dismissed from their office or employment for cause or on a Participant's contract as a Consultant being terminated before its normal termination date for cause, including where a participant resigns their office or employment or terminates their contract as a Consultant after being requested to do so by the Corporation as an alternative to being dismissed or terminated by the Corporation for cause.

14. Change in Control Provisions.

Except as otherwise provided by the Committee in an Award Agreement:

(a) the occurrence of a Change in Control shall not result in the vesting of unvested Awards nor the lapse of any period of restriction pertaining to any Restricted Stock or Restricted Stock Unit (such Awards collectively referred to as "**Unvested Awards**"), provided that: (i) such Unvested Awards shall continue to vest in accordance with the Plan and the Award Agreement; (ii) the level of achievement of performance goals prior to the date of the Change in Control shall be based on the actual performance achieved to the date of the Change in Control and the level of achievement of performance goals for the applicable period completed following the date of the Change in Control shall be based on the assumed achievement of 100% of the performance goals; and (iii) any successor entity agrees to assume the obligations of the Corporation in respect of such Unvested Awards.

(b) For the period of 24 months following a Change in Control, where a Participant's employment or term of office or engagement is terminated for any reason, other than for cause: (i) any Unvested Awards as at the date of such termination shall be deemed to have vested, and any period of restriction shall be deemed to have lapsed, as at the date of such termination and shall become payable as at the date of termination; and (ii) the level of achievement of Performance Goals for any Unvested Awards that are deemed to have vested pursuant to (i) above, shall be based on the actual performance achieved at the end of the applicable period immediately prior to the date of termination.

(c) With respect to Awards, other than Options or Deferred Stock Units granted to Canadian Employee Participants, the Committee, in its discretion, may determine that all outstanding Awards shall be cancelled, any vesting terms accelerated and/or any restrictions lapsed on a Change in Control, and if cancelled, that the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change in Control Price within a reasonable time subsequent to the Change in Control; provided, however, that no such payment shall be made on account of an Incentive Stock Option using a value higher than the Fair Market Value of the underlying Shares on the date of settlement. For purposes of this Section, "**Change in Control Price**" shall mean the highest price per Share paid in any transaction related to a Change in Control of the Corporation.

(d) Notwithstanding the remainder of this Section 14, no cancellation, acceleration of vesting, lapsing of restrictions, payment of an Award, cash settlement or other payment shall occur with respect to any Award, if the Committee, in its discretion, reasonably determines in good faith in connection with a Change in Control that such Award shall be honoured or assumed, or new rights substituted therefor (with such honoured, assumed or substituted Award hereinafter referred to as an "**Alternative Award**") by any successor to the Corporation or an Affiliate; provided, however, that any such Alternative Award must: (i) be based on shares that are traded on the Exchange; (ii) provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule and identical or better timing and methods of payment; (iii) recognize, for the purposes of vesting provisions, the time that the Award has been held prior to the Change in Control; (iv) have substantially equivalent economic value to such Award (determined prior to the time of the Change in Control); (v) have terms and conditions which provide that in the event that the Participant's employment with the Corporation, an Affiliate or any successor is involuntarily terminated or constructively terminated at any time within at least 24 months following a Change in Control, any conditions on a Participant's rights under, or any restrictions on transfer or exercisability applicable to, each such Alternative Award shall be waived or shall lapse, as the case may be; (vi) with respect to U.S. Participants, comply with Section 409A of the Code; and (vii) be consistent with the requirements of Section 5(d) of the Plan.

(e) In the event that any accelerated Award vesting or payment received or to be received by a Participant pursuant to the above (the "**Benefit**") would: (i) constitute a "parachute payment" within the meaning of and subject to Section 280G of the Code; and (ii) but for this Section, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Benefit shall be reduced to the extent necessary to that no portion of the Benefit shall be subject to the Excise Tax, as determined in good faith by the Committee; provided, however, that if, in the absence of any such reduction (or after such reduction), the Participant believes that the Benefit or any portion thereof (as reduced, if applicable) would be subject to the Excise Tax, the Benefit shall be reduced (or further reduced) to the extent determined by the Committee so that the Excise Tax would not apply. To the extent that such Benefit or any portion thereof is subject to Section 409A of the Code, then such Benefit or portion thereof shall be reduced by first reducing or eliminating any payment or Benefit payable in cash and then any payment or Benefit not payable in cash, in each case in reverse order beginning with payments or Benefits which are to be paid the further in time from the date of a Change in Control. If, notwithstanding any such reduction (or in the absence of such reduction), the Internal Revenue Service ("**IRS**") determines that the Participant is liable for Excise Tax as a result of the Benefit, then the Participant shall be obliged to return to the Corporation, within 30 days of such determination by the IRS, a portion of the Benefit sufficient such that none of the Benefit retained by the Participant constitutes a "parachute payment" within the meaning of Section 280G of the Code that is subject to the Excise Tax. In no event shall the Corporation have any obligation to pay any Excise Tax imposed on a Participant or to indemnify a Participant therefor.

(f) Notwithstanding any other provision of this Plan, this Section shall not apply with respect to any Deferred Stock Units held by a Canadian Participant where such Deferred Stock Units are governed under regulation 6801(d) of the ITA or any successor to such provision.

15. General Provisions Applicable to Awards.

(a) The Committee may grant Awards for no cash consideration or for such minimal cash consideration as may be required by Applicable Law.

(b) The Committee may grant Awards either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Corporation. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Corporation, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan, payments or transfers to be made by the Corporation on the grant, exercise or payment of an Award may be made in the form of cash, Shares, other securities or other Awards, or any combination thereof, as determined by the Committee at the time of grant, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee and, with respect to U.S. Participants, in compliance with Section 409A of the Code. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest (or no interest) on installment or deferred payments or the grant or crediting of Dividend Equivalents in respect of installment or deferred payments.

(d) Except as may be permitted by the Committee in its discretion or as specifically provided in an Award Agreement: (i) no Award or other benefit payable under the Plan shall be Transferable in any manner other than by last will and testament or the law of descent and distribution, and any attempt to Transfer any such benefit shall be void, and any such benefit shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person who shall be entitled to such benefit, nor shall it be subject to attachment or legal process for or against such person; and (ii) each Award, and each right under any Award, shall be exercisable during the Participant's lifetime only by the Participant or, if permissible under Applicable Law by the Participant's guardian or legal representative; provided, however that any assignments or transfers of Incentive Stock Options must comply with the requirements of Code Section 422. The provisions of this Section shall not apply to any Award which has been fully exercised, earned or paid, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) A Participant may designate a Beneficiary or change a previous beneficiary designation at such times prescribed by the Committee by using forms and following procedures approved or accepted by the Committee for that purpose. If no Beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the Beneficiary shall be the Participant's estate.

(f) All certificates for Shares and/or Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or Applicable Law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) All Awards issued pursuant to the Plan which may be denominated or settled in Shares, and all such Shares issued pursuant to the Plan, shall be issued pursuant to the prospectus and registration requirements of Applicable Securities Laws or an exemption from such prospectus and registration requirements.

16. Amendments and Termination.

(a) Unless required by Applicable Law, the Board may amend, alter, suspend, discontinue or terminate the Plan and any outstanding Awards granted hereunder, in whole or in part, at any time without notice to or approval by the shareholders of the Corporation, for any purpose whatsoever, provided that where such amendment relates to any outstanding Award and it would:

(i) materially decrease the rights or benefits accruing to the holder of such Award; or

(ii) materially increase the obligations of the holder of such Award;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the holder of such Award in question to such amendment. If at the time the exercise price of an Option is reduced the holder of such Option is an Insider of the Corporation, the Insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Corporation, if required by Applicable Law.

(b) If required by Applicable Law or by the Committee, this Plan may be made subject to the approval of the shareholders of the Corporation as prescribed by Applicable Law. If shareholder approval is required, any Awards granted under this Plan prior to such time will not be exercisable on the Corporation unless and until such shareholder approval is obtained, subject to Applicable Law. Notwithstanding anything contained herein to the contrary, no amendment to the Plan requiring the approval of the shareholders of the Corporation under any Applicable Law shall become effective until such approval is obtained.

17. Miscellaneous.

(a) The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation; and is not intended to be an employee benefit plan that is subject to the Employee Retirement Income Security Act of 1974, as amended. With respect to any payment as to which a Participant has a fixed and vested interest, but which are not yet made to a Participant by the Corporation, nothing contained herein shall give any such Participant any right that is greater than those of a general unsecured creditor of the Corporation.

(b) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each Participant and such Awards to individual Participants need not be the same in subsequent years. Any Award granted under the Plan shall be a one-time Award which does not constitute a promise of future grants. The Corporation shall have the right to make available future grants hereunder.

(c) The Corporation or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Corporation or Affiliate, an amount sufficient to satisfy federal, provincial, state, local and foreign taxes (including the Participant's FICA, Canada Pension Plan contributions, employment tax, Employment Insurance (Canada) premiums, or other social security contribution obligation) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of the Plan. The Committee, in its discretion and in satisfaction of the foregoing requirement, may withhold, or allow a Participant to elect to have the Corporation withhold, Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, provincial, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. The Committee shall determine the Fair Market Value of the Shares, consistent with applicable provisions of the Plan, the Code and the ITA, for tax withholding obligations due in connection with a broker-assisted net settlement (described in Section 7(f)) involving the sale of Shares to pay the Option exercise price or any tax withholding obligation.

(d) Nothing contained in the Plan shall prevent the Corporation from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(e) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or to continue to provide Services to, the Corporation or any Affiliate. Further, the Corporation or the applicable Affiliate may at any time dismiss a Participant, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in such Award.

(f) If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any Applicable Law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to Applicable Laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(g) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Corporation and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Corporation pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

(h) Unless otherwise determined by the Committee, as long as the Common Shares are listed on the Exchange, the issuance of Common Shares pursuant to an Award shall be conditioned on such shares being listed on the Exchange. The Corporation shall have no obligation to issue such Common Shares unless and until such Common Shares are so listed. If at any time counsel to the Corporation shall be of the opinion that any sale or delivery of Shares pursuant to an Option or other Award is or may in the circumstances be unlawful or result in the imposition of excise taxes on the Corporation under the statutes, rules or regulations of any applicable jurisdiction, the Corporation shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration with respect to Shares or Awards, and the right to exercise any Option or other Award shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or shall not result in the imposition of excise taxes on the Corporation. A Participant shall be required to supply the Corporation with certificates, representations and information that the Corporation requests and otherwise cooperate with the Corporation in obtaining any listing, registration, qualification, exemption, consent or approval the Corporation deems necessary or appropriate.

(i) No Award granted or paid out under the Plan shall be deemed compensation for purposes of computing benefits under any retirement plan of the Corporation or its Affiliates nor affect any benefit under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation.

(j) Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder of the Corporation with respect to Shares covered by any Award until the Participant becomes the record owner of such Shares.

(k) The Plan shall be binding on all successors and permitted assigns of a Participant, including, without limitation, the executor, administrator or trustee of the estate of such Participant. Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipt thereof shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Committee, the Board, the Corporation, its Affiliates and their employees, agents and representatives with respect thereto.

18. Effective Date of the Plan.

The Plan shall be effective as of the Effective Date, which is the date of adoption by the Board, subject to the approval of the Plan by the shareholders of the Corporation in accordance with the requirements of Applicable Law.

19. Term of the Plan.

No Award shall be granted under the Plan after ten years from the Effective Date. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted prior to the date that is ten years from the Effective Date may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

20. Section 409A of the Code.

(a) The Plan is intended to comply with the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. To the extent that any Award is subject to Section 409A of the Code, it shall be paid in a manner that shall comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Section 409A of the Code shall be deemed to be amended to comply with Section 409A of the Code and to the extent such provision cannot be amended to comply therewith, such provision shall be null and void. The Corporation shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee or the Corporation and, in the event that any amount or benefit under the Plan becomes subject to penalties under Section 409A of the Code, responsibility for payment of such penalties shall rest solely with the affected Participants and not with the Corporation. Notwithstanding any contrary provision in the Plan or Award Agreement, any payment(s) of "nonqualified deferred compensation" (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan to a "**specified employee**" (as defined under Section 409A of the Code) as a result of such employee's separation from Service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six months following such separation from Service (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award Agreement) on expiration of such delay period.

(b) Notwithstanding the foregoing, the Corporation does not make any representation to any Participant or Beneficiary as to the tax consequences of any Awards made pursuant to this Plan, and the Corporation shall have no liability or other obligation to indemnify or hold harmless the Participant or any Beneficiary for any tax, additional tax, interest or penalties that the Participant or any Beneficiary may incur as a result of the grant, vesting, exercise or settlement of an Award under this Plan.

21. Governing Law.

This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

22. Insider Limitation.

Subject to the terms of the Plan and unless permitted by Applicable Law, the Corporation shall not grant Awards under the Plan to an employee or Consultant of the Corporation who is an investor relations person of the Corporation, an Associated Consultant of the Corporation, an Executive Officer of the Corporation, a director of the Corporation, or a Permitted Assign of those persons if, after the distribution:

(a) the number of securities, calculated on a fully diluted basis, reserved for issuance under any Security Based Compensation Arrangement granted to:

(i) Related Persons, exceeds 10% of the outstanding securities of the Corporation, or

(ii) a Related Person, exceeds 5% of the outstanding securities of the Corporation, or

(b) the number of securities, calculated on a fully diluted basis, issued within 12 months to:

(i) Related Persons, exceeds 10% of the outstanding securities of the Corporation, or

(ii) a Related Person and the Associates of the Related Person, exceeds 5% of the outstanding securities of the Corporation.

Exhibit 10.2

SECOND AMENDED AND RESTATED

SECURED DEBENTURE PURCHASE AGREEMENT

THIS SECOND AMENDED AND RESTATED SECURED DEBENTURE PURCHASE AGREEMENT is made as of July 10, 2020, by and among the Lenders party thereto, iAnthus Capital Holdings, Inc., a corporation incorporated under the laws of the Province of British Columbia (the "**Company**"), iAnthus Capital Management, LLC, a Delaware limited liability company (the "**Issuer**"), the other Credit Parties party hereto and Gotham Green Admin 1, LLC, as collateral agent, and the Lenders party thereto.

WHEREAS the Company, Issuer, certain Credit Parties and certain Lenders entered into an Amended and Restated Secured Debenture Purchase Agreement dated October 10, 2019 but effective September 30, 2019, to provide for the terms and conditions upon which the Lenders subscribed for, and the Issuer and the Company, as applicable, issued to the Lenders, certain Debentures and Warrants (as defined herein) on the terms contemplated herein, which agreement was subsequently amended by that certain First Amendment to Amended and Restated Secured Debenture Purchase Agreement dated December 19, 2019 (collectively, the "**Original Agreement**");

WHEREAS the parties have agreed to enter into this Agreement to amend and restate the Original Agreement and provide for the issuance of the Tranche 4 Debentures in connection with the Restructuring Support Agreement and the Recapitalization Transaction contemplated thereunder.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the premises, the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 DEFINITIONS

For the purposes of this Agreement, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

(a) "**Affiliate**" with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided that, for the avoidance of doubt, the Lender and its Affiliates shall not be considered Affiliates of the Company or any of its subsidiaries. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, "Controlling" and "Controlled" have meanings correlative thereto;

(b) "**Agreement**" means this agreement, including the Schedules to this agreement, as it or they may be amended or supplemented from time to time, and all instruments supplementing or amending or confirming this agreement and references to "**Article**", "**Section**" or "**Schedule**" mean the specified article, section or schedule of this agreement;

(c) "**Articles**" means the notice of articles of the Company dated November 15, 2013 as amended on August 4, 2016, as the same may be amended, replaced, restated or otherwise modified from time to time;

(d) "**Business**" means the business carried on by the Company (including the business of each subsidiary) from time to time as described in the Company's public filings made under the Company's issuer profile on SEDAR;

(e) "**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the, City of Vancouver, British Columbia, City of Toronto, Ontario or New York, New York;

(f) "**Canadian Pension Plan**" means a "registered pension plan", as such term is defined in subsection 248(1) of the Income Tax Act, or is subject to the funding requirements of applicable pension benefits legislation in any Canadian jurisdiction and which is or was sponsored, administered or contributed to, or required to be contributed to, by any Credit Party or under which any Credit Party has or may incur any actual or contingent liability, and for the avoidance of doubt, a "Canadian Pension Plan" shall not include a Pension Plan;

(g) "**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published policy statements, blanket orders, instruments and notices of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement;

(h) "**CERCLA**" means the United States Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended;

(i) "**Change of Control Transaction**" means (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of Canadian Securities Laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares, (ii) any event as a result of or following which the Issuer or any Subsidiary is not wholly owned, directly or indirectly, by the Company, or (iii) the sale or other transfer of all or substantially all of the consolidated assets of the Company. A Change of Control Transaction will not include a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity;

(j) "**Class A Shares**" means the Company's Class A convertible restricted votes shares of the Company;

(k) "**Closing**" means completion of the transactions contemplated by this Agreement in accordance with Article 2 of this Agreement and occurring on the Closing Date;

(l) "**Closing Date**" means May 14, 2018;

(m) "**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the parties may agree;

(n) "**Collateral Agent**" means Gotham Green Admin 1, LLC, in its capacity as collateral agent for the Lender;

(o) "**Common Shares**" means the fully paid and non-assessable common shares in the share capital of the Company, as constituted from time to time;

(p) "**Confidentiality Agreement**" means the confidentiality agreement dated March 19, 2018 between the Lender and the Company;

(q) "**Control Agreement**" means a control agreement, in form and substance reasonably satisfactory to the Collateral Agent, executed and delivered by the applicable Credit Party, the Collateral Agent and the applicable securities intermediary or bank, which agreement is sufficient to give the Collateral Agent "control" over each of such Credit Party's securities accounts, deposit accounts or investment property, as the case may be;

(r) "**Controlled Group**" means all members of a controlled group of corporations and all members of a controlled group of trades or businesses (whether or not incorporated) under common control and all members of an affiliated service group which, together with a Credit Party, are treated as a single employer under Section 414 of the U.S. Tax Code or Section 4001 of ERISA;

(s) "**Credit Parties**" means, collectively, the Company and each Subsidiary, and each is a "**Credit Party**";

(t) "**CSE**" means the Canadian Securities Exchange;

(u) "**Debenture Certificates**" means, collectively, the Initial Debenture Certificates, Tranche 2 Debenture Certificates, Tranche 3 Debenture Certificates and Tranche 4 Debenture Certificates;

(v) "**Debenture Warrants**" means, collectively, the Initial Debenture Warrants, Tranche 2 Debenture Warrants, and Tranche 3 Debenture Warrants;

(w) **"Debentures**" means, collectively, the Initial Debentures, Tranche 2 Debentures, Tranche 3 Debentures and Tranche 4 Debentures;

(x) "**Debtor Relief Laws**" means the Bankruptcy Reform Act of 1996 as amended or any Canadian counterpart, *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the Bankruptcy Code of the United States and all other liquidation, conservatorship, bankruptcy, the Bankruptcy Code of the United States and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally;

(y) "**Environment**" means indoor air, ambient air, surface water, groundwater, drinking water, land surface, subsurface strata and natural resources such as wetlands, flora and fauna;

(z) "**Environmental Laws**" means any applicable Law relating to pollution, protection of the Environment and natural resources, pollutants, contaminants, or chemicals or any toxic or otherwise hazardous substances, wastes or materials, or the protection of human health and safety as it relates to any of the foregoing, including any applicable provisions of CERCLA;

(aa) "**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of investigation and remediation, fines, penalties or indemnities), of or relating to the Credit Parties directly or indirectly resulting from or based upon (a) violation of, or liability under or relating to, any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the actual or alleged presence, Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing;

(bb) "**Environmental Permit**" means any permit, approval, identification number, license or other authorization required under any Environmental Law;

(cc) "**Equity Interest**" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, or any warranty, options or other rights to acquire such interests;

(dd) "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended;

(ee) "**Exchange Warrants**" means, collectively, the Initial Exchange Warrants, the Tranche 2 Exchange Warrants, and the Tranche 3 Exchange Warrants;

(ff) "**Fee Letter**" means that certain Second Amended and Restated Fee Letter dated as of the Tranche 3 Funding Date, by and among the Company and each Lender party to the Amended and Restated Purchase Agreement, as amended by the Amendment, as amended, restated, supplemented or otherwise modified from time to time;

(gg) "**Foreign Private Issuer**" means a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act;

(hh) "**Gotham Lenders**" means the Original Lenders, the Tranche 2 Lenders, SPV V, and any affiliated funds thereof that become Additional Lenders;

(ii) "**Governmental Body**" means any government, parliament, legislature, regulatory authority, agency, commission, board or court or other law, rule, or regulation-making entity having or purporting to have jurisdiction on behalf of any nation or state or province or other subdivision thereof including any municipality or district;

(jj) "**Guarantor**" has the meaning provided in the Guaranty and Security Agreement;

(kk) "**Guaranty and Security Agreement**" has the meaning provided in the definition of "Security Documents";

(ll) "**Hazardous Materials**" means all materials, pollutants, contaminants, chemicals, compounds, constituents, substances or wastes, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, lead, radon gas, pesticides, fungicides, fertilizers, or toxic mold that are regulated pursuant to, or which could give rise to liability under, applicable Environmental Law;

(mm) "**Indebtedness**" means, as to any Person at a particular time, without duplication, all of the following: (i) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) the maximum amount (after giving effect to any prior drawings or reductions which may have been reimbursed) of all outstanding letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, and similar instruments issued or created by or for the account of such Person; (iii) net obligations of such Person under any swap contract; (iv) all obligations of such Person to pay the deferred purchase price of property or services (other than (1) trade accounts and accrued expenses payable in the ordinary course of business not more than sixty (60) days past due, (2) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with IFRS and (3) accruals for payroll and other liabilities accrued in the ordinary course); (v) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; (vi) capital lease obligations that would appear on a balance sheet of such Person prepared as of such date in accordance with IFRS; and (vii) to the extent not otherwise included above, all guarantees and other contingent obligations of such Person, but excluding endorsements for collection or deposit and customary and reasonable indemnity obligations entered into in the ordinary course of business;

(nn) "**IFRS**" means the international financial reporting standards adopted by the International Accounting Standards Board;

(oo) "**Immaterial Subsidiary**" means any subsidiary of the Company that (a) did not, as of the last day of the fiscal quarter of the Company most recently ended, have assets with a value in excess of one percent (1%) of the assets of the Company and its subsidiaries on a consolidated basis or revenues representing in excess of one percent (1%) of total revenues of the Company and its subsidiaries on a consolidated basis as of such date and (b) taken together with all Persons determined to be Immaterial Subsidiaries in the foregoing clause (a) as of the last day of the fiscal quarter of the Company most recently ended, did not have assets with a value in excess of five percent (5%) of the assets of the Company and its subsidiaries on a consolidated basis or revenues representing in excess of five percent (5%) of total revenues of the Company and its subsidiaries on a consolidated basis as of such date. The Immaterial Subsidiaries in existence on the Closing Date are set forth on Schedule 4.5.

(pp) "**Income Tax Act**" means the Income Tax Act (Canada), as amended from time to time;

(qq) "**Intellectual Property**" means all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, licenses, industrial designs, know-how (including trade secrets and other unpatented or patentable proprietary or confidential information, systems or procedures), computer software, inventions, designs and other industrial or intellectual property of any nature whatsoever;

(rr) "**Intellectual Property Security Agreements**" has the meaning set forth in the Security Agreements;

(ss) "**Intercompany Note**" means the intercompany note made by the Credit Parties on the Closing Date, as amended, restated, supplemented or otherwise modified from time to time;

(tt) "**Interim Financing Budget**" means the weekly financial cash flow of the Company and its Subsidiaries approved by the Lender pursuant to the Restructuring Support Agreement, together with each such revision of the weekly financial cash flow approved by the Lender from time to time in accordance with the mechanics set forth in Section 1.8 of the Restructuring Support Agreement.

(uu) "**Investments**" means each of the investments, loans, management services agreements, real estate holdings and Intellectual Property of the Company disclosed in filings on SEDAR pursuant to which the Company conducts its operations;

(vv) "**Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, voluntary restraints, guidelines of any Governmental Body, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which such word is used, whether applicable in Canada or the United States or any other jurisdiction; and "**Law**" means any one of them. Notwithstanding the foregoing, the definition of Laws excludes any U.S. federal laws, Canadian federal, provincial or territorial laws, statutes, codes, ordinances, decrees, rules, regulations which apply to the production, trafficking, distribution, processing, extraction, sale, or any transactions promoting the business or involving the proceeds of marijuana (cannabis) and related substances (collectively, the "**Excluded Laws**"); provided, however, that Excluded Laws shall not include any provision of the Code, including, without limitation, Section 280E of the Code;

(ww) "**Lender**" or "**Lenders**" means, collectively, the Lenders signatory hereto and their permitted successors and assigns;

(xx) "**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

(yy) "**Material Adverse Effect**" means any change, effect, event, situation or condition that is materially adverse to the business, results or operations, properties or financial condition of the Company and its subsidiaries taken as a whole; provided, however, that in determining whether there has been a "Material Adverse Effect", any adverse effect attributable to the following shall be disregarded: (a) events, changes, developments, conditions or circumstances in worldwide, national or local conditions or circumstances (political, economic, regulatory or otherwise) that adversely affect the Company's industry generally unless there is a disproportionate adverse impact on Company, its subsidiaries or any Affiliate, (b) an outbreak or escalation of war, armed hostilities, acts of terrorism, political instability or other national calamity, crisis or emergency, or any governmental response to any of the foregoing, in each case, whether occurring within or outside of Canada or the United States unless there is a disproportionate adverse impact on Company, its subsidiaries or any Affiliate, (c) any change in law or accounting policies (and any changes resulting therefrom) unless there is a disproportionate adverse impact on Company, its subsidiaries or any Affiliate, (d) epidemics, pandemics and other public health emergencies, including those related to novel coronavirus known as COVID-19 ("**COVID-19**"); (e) steps or actions reasonably necessary to be taken pursuant to the Restructuring Support Agreement, or (f) any action or omission of any Credit Party taken with the prior written consent of the Lender;

(zz) "**Material Subsidiary**" means any subsidiary of the Company other than Immaterial Subsidiaries.

(aaa) "**Mortgages**" means collectively, the deeds of trust, trust deeds, deeds to secure debt, hypothecs and mortgages made by the Credit Parties in favor or for the benefit of the Collateral Agent on behalf of the Secured Parties creating and evidencing a Lien on a Mortgaged Property in form and substance reasonably satisfactory to the Collateral Agent with such terms and provisions as may be required by the applicable Laws of the relevant jurisdiction, and any other mortgages executed and delivered pursuant to Section 4.20(r), in each case, as the same may from time to time be amended, restated, supplemented, or otherwise modified;

(bbb) "**MPX Acquisition**" means the Company's acquisition of MPX Bioceutical Corporation ("MPX") and its subsidiaries pursuant to an arrangement agreement dated October 18, 2018, among the Company, 1183271 B.C. Unlimited Liability Company, MPX and MPX International Corporation, pursuant to which MPX became a wholly-owned subsidiary of the Company pursuant to a plan of arrangement under the Business Corporations Act (British Columbia);

(ccc) "**MPX Obligations**" means the items set forth on Schedule 4.20(x);

(ddd) "**Multiemployer Pension Plan**" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which any Credit Party may have any liability;

(eee) "**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions* as such instrument is in effect in the Province of Ontario at Closing;

(fff) "**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* as such instrument is in effect in the Province of Ontario at Closing;

(ggg) "**Obligations**" means all advances to, and debts, liabilities, obligations, covenants and duties of, each Credit Party arising under any Transaction Agreement or otherwise with respect to this Agreement or any Debenture or Warrant, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Transaction Agreements include (i) the obligation (including guarantee obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees, attorneys' fees, indemnities and other amounts payable by the Credit Parties under any Transaction Agreement and (ii) the obligation of the Credit Parties to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of such Person;

(hhh) "**Observer Agreement**" means the agreement among the Lender the Company and the Observers in the form of which is attached hereto as Exhibit "C";

(iii) "**Observers**" and "**Observer**" have the meanings ascribed thereto in Section 4.20(h);

(jjj) "**Original Lenders**" means Gotham Green Fund 1, L.P. and Gotham Green Credit Partners SPV I, L.P.

(kkk) "**OSC**" means the Ontario Securities Commission;

(lll) "**OTC**" means the OTCQB – The Venture Market or the OTCQX – Best Market;

(mmm) "**PBGC**" means the Pension Benefit Guaranty Corporation and any entity succeeding to any or all of its functions under ERISA;

(nnn) "**Pension Plan**" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a Multiemployer Pension Plan) and as to which any Credit Party has or may have any liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years, or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA, and, for the avoidance of doubt, "Pension Plan" shall not include a Canadian Pension Plan;

(ooo) "**Permits**" means all licenses, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or otherwise);

(ppp) "**Permitted Variance**" shall have the meaning ascribed to it in the Restructuring Support Agreement.

(qqq) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, corporation with or without share capital, unincorporated organization, association, trust, trustee, executor, administrator or other legal personal representative, Governmental Body, authority or entity however designated or constituted;

(rrr) "**Personal Information**" means any information about a Person and includes information contained in this Agreement and the documents to be delivered by such Person in connection with the transactions contemplated herein;

(sss) "**Proceeds**" means the proceeds of the Purchase Price;

(ttt) "**Qualifying Provinces**" means all provinces of Canada, other than the Province of Quebec;

(uuu) "**Regulation D**" means Regulation D promulgated under the U.S. Securities Act;

(vvv) "**Regulation S**" means Regulation S promulgated under the U.S. Securities Act;

(www) "**Release**" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migrating in, into, onto or through the Environment;

(xxx) "**Restructuring Support Agreement**" means that certain Restructuring Support Agreement dated as of the date hereof, by and among the Company, the Subsidiaries signatory thereto, the Lenders party thereto, the Consenting Debenture Holders (as defined therein) party thereto, and each other Person that becomes a party thereto from time to time, as may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

(yyy) "**Sage Software Capital Lease**" that certain lease/finance transaction with Alliance Commercial Capital Inc. in respect of the Sage Software Package with the total amount of financing pursuant to the Sage Software Capital Lease not to exceed $1,600,000 (excluding fees and taxes) and a term not to exceed 36 months;

(zzz) "**Second Amendment Effective Date**" means September 30, 2019;

(aaaa) "**Securities Commissions**" means collectively, the applicable securities commission or securities regulatory authority in each of the Qualifying Provinces, the United States and any other jurisdiction in which the Common Shares are sold, as the case may be;

(bbbb) "**Security Agreements**" has the meaning provided in the definition of "Security Documents";

(cccc) "**Security Documents**" means the Debenture, and all other security and/or guarantees granted by any Credit Party, or any other Person from time to time in favour of the Lender, as security for the Credit Parties' obligations, including, without limitation, the Guaranty and Security Agreement entered into among the Subsidiaries and the Collateral Agent on the Closing Date, as amended, restated, supplemented or otherwise modified from time to time (the "**Guaranty and Security Agreement**"), the Guaranty and Pledge Agreement entered into between the Company and the Collateral Agent on the Closing Date, as amended, restated, supplemented or otherwise modified from time to time (the "**Guaranty and Pledge Agreement**"), the Security Agreement entered into between the Company and the Collateral Agent on the Closing Date, as amended, restated, supplemented or otherwise modified from time to time (collectively, with the Guaranty and Security Agreement, the "**Security Agreements**"), the Intellectual Property Security Agreements, the Collateral Assignment of Contract Rights entered into among the Credit Parties and the Collateral Agent on the Closing Date, as amended, restated, supplemented or otherwise modified from time to time, the Mortgages, any other share pledge granted by the Company or any of its subsidiaries, each general security agreement granted by the Company or any of its subsidiaries, in favour of the Lender and each guarantee granted by the Company or any of its subsidiaries, or any of them, in favour of the Lender;

(dddd) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval as found at www.sedar.com;

(eeee) "**Shares**" means Common Shares and/or Class A Shares, as the context requires;

(ffff) "**Solvent**" means, with respect to a Person, that (a) the fair value (as calculated according to the Company's quarterly and annual financial statements in accordance with IFRS) of the assets of such Person and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of such Person and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) such Person and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured and (d) such Person and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability;

(gggg) A "**subsidiary**" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which (i) a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, (ii) more than half of the issued share capital is at the time beneficially owned or (iii) the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Company;

(hhhh) "**Subsidiaries**" means, as of the date hereof, iAnthus Capital Management, LLC, Pakalolo, LLC, Grassroots Vermont Management Services, LLC, Pilgrim Rock Management, LLC, GHHIA Management, Inc., iAnthus Holdings Florida, LLC, GrowHealthy Properties, LLC, Citiva Medical, LLC, iAnthus Empire Holdings, LLC, Scarlet Globemallow, LLC, Bergamot Properties, LLC, Mayflower Medicinals, Inc., IMT, LLC, CGX Life Sciences Inc., Fall River Development Company, LLC, Greenmart of Nevada NLV, LLC, GTL Holdings, LLC, iAnthus Arizona, LLC, MPX Bioceutical ULC, Ambary, LLC, S8 Rental Services, LLC, S8 Management, LLC, iAnthus New Jersey, LLC, iA CBD, LLC, McCrory's Sunny Hill Nursery, LLC, FWR, Inc. and all other Material Subsidiaries;

(iiii) "**Tranche 2 Debenture Certificates**" means the certificates representing the Tranche 2 Debentures;

(jjjj) "**Tranche 2 Debenture Warrants**" means the warrants of the Company issued to the Tranche 2 Lenders on the Second Amendment Effective Date, such warrants being exercisable to acquire an aggregate amount of up to 5,076,142 Tranche 2 Warrant Shares, and such warrants being exercisable for a period of 36 months following the Second Amendment Effective Date at an exercise price per share equal to USD$1.97 per Tranche 2 Warrant Share, subject to standard anti-dilution adjustments as set forth in the Tranche 2 Warrant Certificate evidencing such warrants, and provided further that the expiry date will be extended to be 48 months from the Second Amendment Effective Date if the Company exercises its right to extend the term of the Debentures as provided in Section 3.2 of the Debenture Certificates;

(kkkk) "**Tranche 2 Debentures**" means the 13% senior secured debentures of the Issuer issued to the Tranche 2 Lenders on the Second Amendment Effective Date in the aggregate principal amount of USD$20,000,000;

(llll) "**Tranche 2 Exchange Warrants**" means warrants of the Company issued to the Tranche 2 Lenders on the Second Amendment Effective Date, in the form attached hereto as Exhibit "B", exercisable from time to time for Warrant Shares;

(mmmm)"**Tranche 2 Lenders**" means Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P. and Gotham Green Fund II (Q), L.P.;

(nnnn) "**Tranche 2 Warrants**" means the Tranche 2 Debenture Warrants and Tranche 2 Exchange Warrants;

(oooo) "**Tranche 3 Debentures**" means the 13% senior secured debentures of the Issuer issued to the Tranche 3 Lenders on the Tranche 3 Funding Date in the aggregate principal amount of USD$36,150,000;

(pppp) "**Tranche 3 Debenture Certificates**" means the certificates representing the Tranche 3 Debentures;

(qqqq) "**Tranche 3 Debenture Warrants**" means the warrants of the Company issued to the Tranche 3 Lenders on the Tranche 3 Funding Date, such warrants being exercisable to acquire an aggregate amount of up to the number of Tranche 3 Warrant Shares equal to fifty percent (50%) of the quotient obtained by dividing the Tranche 3 Purchase Price by the exercise price per share equal to 130% of the lesser of (i) the closing market price of the Company's common shares as quoted on the CSE on September 27, 2019 and (ii) the closing market price of the Company's common shares as quoted on the CSE the Business Day immediately prior to the Tranche 3 Funding Date, such warrants being exercisable for a period of 36 months following the Tranche 3 Funding Date at the exercise price per Tranche 3 Warrant Share set forth above, subject to standard anti-dilution adjustments as set forth in the Tranche 3 Warrant Certificate evidencing such warrants, and provided further that the expiry date will be extended to be 48 months from the Tranche 3 Funding Date if the Company exercises its right to extend the term of the Debentures as provided in Section 3.2 of the Debenture Certificates;

(rrrr) "**Tranche 3 Exchange Warrants**" means warrants of the Company issued to the Tranche 3 Lenders on the Tranche 3 Funding Date, in the form attached hereto as Exhibit "B", exercisable from time to time for Warrant Shares;

(ssss) "**Tranche 3 Funding Date**" means the date on which the Tranche 3 Lenders purchase the Tranche 3 Debentures and Tranche 3 Warrants, which date shall be no earlier than the date that all conditions precedent to such funding have been satisfied or waived by the Tranche 3 Lenders and which occurred on or about December 19, 2019;

(tttt) "**Tranche 3 Lenders**" means the Persons who purchase the Tranche 3 Debentures and Tranche 3 Warrants;

(uuuu) "**Tranche 3 Warrants**" means the Tranche 3 Debenture Warrants and Tranche 3 Exchange Warrants;

(vvvv) "**Tranche 4 Debenture Certificates**" means the certificates representing the Tranche 4 Debentures in the form attached hereto as Exhibit "D";

(wwww) "**Tranche 4 Debentures**" means the 8% senior secured non-convertible debentures of the Issuer issued to the Tranche 4 Lenders on the Tranche 4 Funding Date in the aggregate initial principal amount of USD$14,736,842.11, such amount subject to increase as set forth in Section 2.6 and under the Tranche 4 Debenture Certificates.

(xxxx) "**Tranche 4 Funding Date**" means (x) the date on which the Tranche 4 Lenders purchase Tranche 4 Debentures or additional Tranche 4 Debentures in accordance with Section 2.6, which date shall be no earlier than the date that all conditions precedent to such funding have been satisfied or waived by the Tranche 4 Lenders, (y) each day thereafter that a draw request is made under the Interim Financing (as defined in the Restructuring Support Agreement) in accordance with the terms of the Restructuring Support Agreement, and (z) or any other day on which the representations and warranties provided for herein are tested at any time when the Restructuring Support Agreement is in effect;

(yyyy) "**Tranche 4 Lenders**" means Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P. and Gotham Green Partners SPV V, L.P.;

(zzzz) "**Transaction Agreements**" means this Agreement and all agreements, certificates and other instruments delivered or given pursuant to this Agreement, including, without limitation, the Confidentiality Agreement, Fee Letter, Restructuring Support Agreement, Security Documents, Intercompany Note, Debentures, Warrant Certificates and Unit Subscription Agreement;

(aaaaa) "**Unit Subscription Agreement**" means the Unit Subscription Agreements dated as of the Closing Date, between the Company and each of Gotham Green Fund 1, L.P. and Gotham Green Credit Partners SPV 1, L.P., and their respective successors and assigns;

(bbbbb) "**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

(ccccc) "**U.S. Accredited Investor**" means an "accredited investor" as defined in Rule 501(a) under Regulation D;

(ddddd) "**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended;

(eeeee) "**U.S. Person**" means a "U.S. person" as such term is defined in Rule 902(k) of Regulation S;

(fffff) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

(ggggg) "**U.S. Tax Code**" mean the United States *Internal Revenue Code of 1986*, as amended;

(hhhhh) "**U.S. Securities Laws**" means the United States federal securities laws, including, without limitation, the U.S. Securities Act and the U.S. Exchange Act, and applicable state securities laws;

(iiiii) "**Warrant Certificates**" means the certificates representing (i) the Initial Warrants, Tranche 2 Warrants and Tranche 3 Warrants, the form of each of which is attached hereto as Exhibit "A", (ii) the Initial Exchange Warrants, Tranche 2 Exchange Warrants and Tranche 3 Exchange Warrants, the form of each of which is attached hereto as Exhibit "B";

(jjjjj) Reserved

(kkkkk) "**Warrant Shares**" means the Shares issuable upon exercise of the Warrants; and

(lllll) "**Warrants**" means, collectively, the Initial Warrants, the Tranche 2 Warrants, the Tranche 3 Warrants.

1.2 SCHEDULES AND EXHIBITS

The following are the schedules and exhibits attached to this Agreement:

Schedule 4.2	Dissolved Credit Parties
Schedule 4.3(a)	Capital of the Company
Schedule 4.3(b)	Option to Purchase Shares of the Company
Schedule 4.4	Shareholder Agreements
Schedule 4.5	Subsidiaries
Schedule 4.9	Compliance with Laws
Schedule 4.10(a)	Litigation and Other Proceedings
Schedule 4.11(a)(i)	Owned and Leased Property
Schedule 4.11(a)(ii)	Claims Restricting Use of Transfer of Property or
Schedule 4.11(b)	Disposition of Assets by Credit Parties
Schedule 4.11(c)	Material Agreements of Credit Parties
Schedule 4.11(k)	Lease Defaults
Schedule 4.16	Financial, Tax and Disclosure Matters
Schedule 4.20(v)	Permitted Liens
Schedule 4.20(x)	Investments and Existing Indebtedness
Schedule 4.20(y)	Transactions with Affiliates
Schedule "A"	Canadian "Accredited Investor" Certificate
Schedule "B"	U.S. Accredited Investor Certificate
Schedule "C"	Form of Declaration for Removal for Removal of
Exhibit "A"	Form of Warrant Certificate
Exhibit "B"	Form of Exchange Warrant Certificate
Exhibit "C"	Form of Board Observer Agreement
Exhibit "D"	Form of Tranche 4 Debenture

1.3 HEADINGS

The inclusion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof. The terms "**this Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include any agreement supplemental hereto.

1.4 GENDER AND NUMBER

Words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender and neuter.

1.5 CURRENCY

Unless otherwise noted, all references to currency shall be United States dollars and all payments contemplated herein shall be paid in United States funds, by certified cheque, bank draft or wire transfer of immediately available funds.

1.6 ENTIRE AGREEMENT

This Agreement together with the Transaction Agreements constitute the entire agreement between the parties and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no other agreements between the parties in connection with the subject matter hereof except as specifically set forth or referred to herein or therein. No amendment, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. To the extent that any provisions of this Agreement are inconsistent with the provisions of the Restructuring Support Agreement, then the terms of the Restructuring Support Agreement shall be paramount and prevail to the extent of the inconsistency.

The description of the Debentures and Warrants herein is a summary only and is subject to the specific attributes and detailed provisions set forth in the Debenture Certificate and the Warrant Certificate, respectively. In case of any inconsistency between the description of the Debentures and Warrants in this Agreement and the terms of the Debentures as set forth in the Debenture Certificate and the Warrant Certificate, respectively, the provisions of the Debenture Certificate and Warrant Certificate shall govern.

1.7 TIME OF ESSENCE

Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

1.8 TO THE KNOWLEDGE

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of the Company, the Company confirms that it has made due and diligent inquiry of such Persons (including appropriate employees, officers and directors of the Company and its Affiliates) as it reasonably and in good faith considers necessary to verify the accuracy of the matters that are the subject of the representations and warranties.

1.9 LANGUAGE

The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressment demandé que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

ARTICLE 2
INITIAL DEBENTURES AND PURCHASE PRICE

2.1 SUBSCRIPTION FOR AND ISSUANCE OF INITIAL DEBENTURES AND INITIAL WARRANTS

In reliance upon the representations, warranties and covenants set out in this Agreement, the Lender hereby agrees to subscribe for and purchase from the Issuer, and the Issuer agrees to issue and sell to the Lender, at Closing, $40,000,000 aggregate principal amount of Initial Debentures, and the Company agrees to issue and sell to the Lender the Initial Warrants for an aggregate purchase price of $40,000,000 (the "**Purchase Price**").

2.2 PAYMENT OF PURCHASE PRICE

At Closing, the Lender shall pay the Purchase Price, pursuant to a written letter of instruction from the Issuer to the Lender. The Company and the Lender agree as between the Company and the Lender, that the fair market value of the Initial Debenture Warrants in the aggregate is equal to USD$0.01 and that, pursuant to Treas. Reg. § 1.1273-2(h), USD$0.01 of the issue price of the investment unit will be allocable to the Initial Debenture Warrants and the balance of the Purchase Price shall be allocable to the Initial Debentures and Initial Exchange Warrants. The parties shall treat the Initial Debentures and the Initial Exchange Warrants as a single instrument (a non-contingent convertible debt instrument) for U.S. federal income tax purposes. The Company, the Issuer, and the Lender shall prepare and file all U.S. tax and information reports in a manner consistent with the foregoing allocation and treatment and shall not take any position on any U.S. tax return, before any U.S. taxing authority or in any proceeding relating to U.S. taxes that is inconsistent with such allocation and treatment unless required by a determination within the meaning of Section 1313(a) of the U.S. Tax Code. The Company and the Lender shall use commercially reasonable efforts to defend such allocation and treatment in any such tax proceeding.

2.3 ISSUANCE OF CERTIFICATES

At Closing, the Issuer and the Company, respectively, shall issue to the Lender the Initial Debentures and Initial Warrants, respectively, subscribed for pursuant to Section 2.1, and shall execute and deliver to the Lender certificates representing the Debenture Certificate(s) and the Warrant Certificate(s), respectively, registered in the name of the Lender or as they may otherwise direct in writing, against delivery of the subscription price therefor pursuant to Section 2.2.

2.4 TRANCHE 2 DEBENTURES AND TRANCHE 2 WARRANTS

(a) In reliance upon the representations, warranties and covenants set out in this Agreement, the Tranche 2 Lenders hereby agree to subscribe for and purchase from the Issuer, and the Issuer agrees to issue and sell to the Tranche 2 Lenders, on the Second Amendment Effective Date, the Tranche 2 Debentures, and the Company agrees to issue and sell to the Tranche 2 Lenders the Tranche 2 Warrants, for an aggregate purchase price of USD$20,000,000 (the "**Tranche 2 Purchase Price**").

(b) On the Second Amendment Effective Date, the Tranche 2 Lenders shall pay the Tranche 2 Purchase Price, pursuant to a written letter of instruction from the Issuer to the Tranche 2 Lenders. The Company and the Tranche 2 Lenders agree as between the Company and the Tranche 2 Lenders, that the fair market value of the Tranche 2 Debenture Warrants in the aggregate is equal to USD$0.01 and that, pursuant to Treas. Reg. § 1.1273-2(h), USD$0.01 of the issue price of the investment unit will be allocable to the Tranche 2 Debenture Warrants and the balance of the Tranche 2 Purchase Price shall be allocable to the Tranche 2 Debentures and Tranche 2 Exchange Warrants. The parties shall treat the Tranche 2 Debentures and the Tranche 2 Exchange Warrants as a single instrument (a non-contingent convertible debt instrument) for U.S. federal income tax purposes. The Company, the Issuer, and the Tranche 2 Lenders shall prepare and file all U.S. tax and information reports in a manner consistent with the foregoing allocation and treatment and shall not take any position on any U.S. tax return, before any U.S. taxing authority or in any proceeding relating to U.S. taxes that is inconsistent with such allocation and treatment unless required by a determination within the meaning of Section 1313(a) of the U.S. Tax Code. The Company and the Tranche 2 Lenders shall use commercially reasonable efforts to defend such allocation and treatment in any such tax proceeding.

(c) On the Second Amendment Effective Date, the Issuer and the Company, respectively, shall issue to the Tranche 2 Lenders the Tranche 2 Debentures and Tranche 2 Warrants, respectively, subscribed for pursuant to Section 2.4(a), and shall execute and deliver to each Tranche 2 Lender a Tranche 2 Debenture Certificate and a Tranche 2 Warrant Certificate, respectively, registered in the name of such Tranche 2 Lender or as they may otherwise direct in writing, against delivery of the subscription price therefor pursuant to Section 2.4(b).

2.5 TRANCHE 3 DEBENTURES AND TRANCHE 3 WARRANTS

(a) The Company and Issuer hereby agree to allow Tranche 3 Lenders to purchase Tranche 3 Debentures and Tranche 3 Warrants as set forth in Sections 2.5(b), (c), (d) and (e) below no later than forty five (45) days after the Second Amendment Effective Date, or such later date as is possible under applicable Laws and assuming any required extensions or approvals are obtained from the CSE. The Company and Tranche 3 Lenders shall use commercially reasonable efforts to obtain any extensions or approvals required from the CSE in connection with extending such date. For the avoidance of doubt, whether the Tranche 3 Lenders choose to purchase the Tranche 3 Debentures and the Tranche 3 Warrants shall be entirely within the Tranche 3 Lenders' discretion.

(b) In reliance upon the representations, warranties and covenants set out in this Agreement, the Tranche 3 Lenders may subscribe for and purchase from the Issuer, and the Issuer agrees to issue and sell to the Tranche 3 Lenders, on the Tranche 3 Funding Date, the Tranche 3 Debentures, and the Company agrees to issue and sell to the Tranche 3 Lenders the Tranche 3 Warrants, for an aggregate purchase price of up to USD$36,150,000 (the amount actually funded in connection therewith is the "**Tranche 3 Purchase Price**").

(c) On the Tranche 3 Funding Date, the Tranche 3 Lenders shall pay the Tranche 3 Purchase Price, pursuant to a written letter of instruction from the Issuer to the Tranche 3 Lenders. The Company and the Tranche 3 Lenders agree as between the Company and the Tranche 3 Lenders, that the fair market value of the Tranche 3 Debenture Warrants in the aggregate is equal to USD$0.01 and that, pursuant to Treas. Reg. § 1.1273-2(h), USD$0.01 of the issue price of the investment unit will be allocable to the Tranche 3 Debenture Warrants and the balance of the Tranche 3 Purchase Price shall be allocable to the Tranche 3 Debentures and Tranche 3 Exchange Warrants. The parties shall treat the Tranche 3 Debentures and the Tranche 3 Exchange Warrants as a single instrument (a non-contingent convertible debt instrument) for U.S. federal income tax purposes. The Company, the Issuer, and the Tranche 3 Lenders shall prepare and file all U.S. tax and information reports in a manner consistent with the foregoing allocation and treatment and shall not take any position on any U.S. tax return, before any U.S. taxing authority or in any proceeding relating to U.S. taxes that is inconsistent with such allocation and treatment unless required by a determination within the meaning of Section 1313(a) of the U.S. Tax Code. The Company and the Tranche 3 Lenders shall use commercially reasonable efforts to defend such allocation and treatment in any such tax proceeding.

(d) On the Tranche 3 Funding Date, the Issuer and the Company, respectively, shall issue to the Tranche 3 Lenders the Tranche 3 Debentures and Tranche 3 Warrants, respectively, subscribed for pursuant to Section 2.5(b), and shall execute and deliver to each Tranche 3 Lender a Tranche 3 Debenture Certificate and a Tranche 3 Warrant Certificate, respectively, registered in the name of such Tranche 3 Lender or as they may otherwise direct in writing, against delivery of the subscription price therefor pursuant to Section 2.5(c).

(e) The Tranche 3 Lenders may require that each or any of the following conditions be satisfied as a condition to purchasing the Tranche 3 Debentures and Tranche 3 Warrants:

(i) The Tranche 3 Lenders, as applicable, shall have received the Tranche 3 Debenture Certificates and Tranche 3 Warrant Certificates, duly executed by the Issuer and/or the Company, as applicable;

(ii) As of the Tranche 3 Funding Date,

(x) no Event of Default shall have occurred and be continuing;

(y) the representations and warranties of the Company and the Issuer contained in ARTICLE 4 of the Purchase Agreement and in the other Transaction Agreements shall be true and correct as of the Tranche 3 Funding Date as if made on the Tranche 3 Funding Date (except to the extent expressly made as of a prior date (other than the Closing Date, which shall be read to be the Tranche 3 Funding Date), in which case such representations and warranties shall be true and correct as of such earlier date), with exceptions to the foregoing being disclosed to the Lender in the form of updated Schedules to the Purchase Agreement; and

(z) the Company and the Issuer shall have performed and complied with all of the terms, covenants, agreements and conditions to be performed or complied with by it on or prior to the Tranche 3 Funding Date (other than any failure to perform or comply with such terms, covenants, agreements and conditions which the Lender has waived in writing), and, to the extent that any Schedules hereto are incomplete or inaccurate as of the Tranche 3 Funding Date, the Company and the Issuer shall deliver updated Schedules on the Tranche 3 Funding Date.

(iii) The Collateral Agent and the Lenders shall have received payment for all fees, expenses and costs incurred and payable under the Purchase Agreement and the Fee Letter.

2.6 TRANCHE 4 DEBENTURES

(a) In reliance upon the representations, warranties and covenants set out in this Agreement and subject to the conditions set forth in this Section 2.6, the Tranche 4 Lenders shall subscribe for and purchase from the Issuer, and the Issuer shall issue and sell to the Tranche 4 Lenders:

(i) on the initial Tranche 4 Funding Date, the Tranche 4 Debentures for an aggregate purchase price of USD$14,000,000.00 (the '**Initial Tranche 4 Purchase Price**"), such Tranche 4 Debentures having an aggregate principal value of USD$14,736,842.11 (the Initial Tranche 4 Purchase price grossed up for 5.0% original issue discount ("**OID**")); and

(ii) on the date the Company commences the CCAA Proceeding (as defined in the Restructuring Support Agreement), additional Tranche 4 Debentures in accordance with the terms of the Restructuring Support Agreement for an aggregate purchase price of USD$1,000,000 (the "**Subsequent Tranche 4 Purchase Price**" and together with the Initial Tranche 4 Purchase Price, the "**Tranche 4 Purchase Price**"), such additional Tranche 4 Debentures having an aggregate principal face value of USD$1,052,631.58 (Subsequent Tranche 4 Purchase Price grossed up for 5.0% OID).

(b) On the initial Tranche 4 Funding Date, the Tranche 4 Lenders shall pay the Initial Tranche 4 Purchase Price, pursuant to a written letter of instruction from the Issuer to the Tranche 4 Lenders. On the initial Tranche 4 Funding Date, the Issuer shall issue to the Tranche 4 Lenders the initial Tranche 4 Debentures subscribed for pursuant to Section 2.6(a)(i), and shall execute and deliver to each Tranche 4 Lender a Tranche 4 Debenture Certificate registered in the name of such Tranche 4 Lender or as they may otherwise direct in writing, against delivery of the subscription price therefor pursuant to Section 2.6(a)(i).

(c) On the date the Company commences the CCAA Proceeding (as defined in the Restructuring Support Agreement) and in accordance with mechanics for issuance of additional Tranche 4 Debentures set out in the Restructuring Support Agreement, the Tranche 4 Lenders shall pay the Subsequent Tranche 4 Purchase Price, pursuant to a written letter of instruction from the Issuer to the Tranche 4 Lenders and the Issuer shall issue to the Tranche 4 Lenders the additional Tranche 4 Debentures subscribed for pursuant to Section 2.6(a)(ii), and shall execute and deliver to each Tranche 4 Lender an additional Tranche 4 Debenture Certificate on substantially the same terms as the initial Tranche 4 Debenture Certificate registered in the name of such Tranche 4 Lender or as they may otherwise direct in writing, against delivery of the subscription price therefor pursuant to Section 2.6(a)(ii).

(d) If (x) requested in writing by the Issuer, (y) the Initial Consenting Debentureholders (as defined in the Restructuring Support Agreement) have provided their prior written consent to such incurrence of debt, and (z) consistent with the Interim Financing Budget, any Lender may, in its sole and absolute discretion, purchase Tranche 4 Debentures that are in addition to those contemplated in Section 2.6(a)(i) and 2.6(a)(ii) at such time as such Lender agrees and subject to the satisfaction by the Credit Parties of any additional conditions required by such Lender at such time.

(i) Each purchase of such additional Tranche 4 Debentures shall be subject to the satisfaction of the conditions set forth in this Section 2.6 as to all other Tranche 4 Debentures. In addition, any purchase of a Tranche 4 Debenture by a Lender that is not a Gotham Lender must be approved by the Collateral Agent in advance.

(ii) If such additional Tranche 4 Debentures are purchased, the purchase price therefor shall become part of the "Tranche 4 Purchase Price" as defined herein, and the Lender purchasing such Tranche 4 Debentures shall be a "Tranche 4 Lender" as defined herein.

(e) The Tranche 4 Lenders may require that each or any of the following conditions be satisfied as a condition to purchasing the Tranche 4 Debentures:

(i) The Tranche 4 Lenders shall have received the Tranche 4 Debenture Certificates duly executed by the Issuer;

(ii) The Tranche 4 Lenders shall have received the Restructuring Support Agreement duly executed by each Credit Party;

(iii) As of each Tranche 4 Funding Date,

(x) the representations and warranties of the Company and the Issuer contained in Article 4 of this Agreement, in the Restructuring Support Agreement and, as to the initial Tranche 4 Funding Date, in the Security Agreements, and as to each other Tranche 4 Funding Date, all other Transaction Agreements, shall be true and correct as of each Tranche 4 Funding Date as if made on such Tranche 4 Funding Date (except to the extent expressly made as of a prior date (other than the Closing Date, which shall be read to be the Tranche 4 Funding Date), in which case such representations and warranties shall be true and correct as of such earlier date), with exceptions to the foregoing being disclosed to the Lender in the form of updated Schedules to this Agreement; and

(y) the Company and the Issuer shall have performed and complied with all of the terms, covenants, agreements and conditions to be performed or complied with by it on or prior to such Tranche 4 Funding Date (other than any defaults that exist on or prior to the initial Tranche 4 Funding Date and that will continue to exist for so long as the Restructuring Support Agreement remains in effect, and other than any failure to perform or comply with such terms, covenants, agreements and conditions which the Lender has waived in writing), and, to the extent that any Schedules hereto are incomplete or inaccurate as of such Tranche 4 Funding Date, the Company and the Issuer shall deliver updated Schedules on such Tranche 4 Funding Date.

(iv) The Credit Parties shall deposit the net proceeds of the Tranche 4 Purchase Price as set forth on the funds flow attached hereto as Schedule 2.6 into an existing deposit account of the Issuer acceptable to the Collateral Agent (the "**Interim Financing Account**"). Such net proceeds shall be disbursed from the Interim Financing Account subject to draw requests in accordance with the Interim Financing Budget and the Permitted Variance with respect to both amount and timing, which requests shall be made no less than two (2) Business Days prior to the disbursement of funds in the form of a customary draw request document. The Issuer may disburse funds from the Interim Financing Account solely in accordance with the Interim Financing Budget and the Permitted Variance following approval of each draw request by the Collateral Agent, such approval to be evidenced by a countersignature on each draw request by the Collateral Agent, or its designee, which may include its counsel.

(v) The Collateral Agent and the Lenders shall have received payment for all fees, expenses and costs incurred and payable under the Purchase Agreement and the Restructuring Support Agreement. The Collateral Agent confirms that all such fees, expenses and costs have been included in the Interim Financing Budget.

ARTICLE 3
CLOSING ARRANGEMENTS AND CONDITIONS

3.1 LENDERS' CONDITIONS

The obligation of the Lender to complete the acquisition of the Initial Debentures and Initial Warrants contemplated by Section 2.1 is subject to fulfilment at the Closing Time of the following conditions:

(a) the Lender shall have been satisfied, in its sole discretion, acting reasonably, with the results of its due diligence review of the Company and its businesses, operations and financial conditions, prospects and market conditions at the Closing Time, including that there has been no material adverse change (actual, proposed or prospective, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), condition, changes in law or regulatory climate directly affecting the jurisdictions in which the Company's subsidiaries, taken as a whole with the Company, are doing or intended to do business or capital of the Company since signing of this Agreement;

(b) the Company and the Issuer shall have completed all necessary steps and all necessary proceedings shall have been taken to authorize, and all required consents shall have been obtained to permit, the transactions contemplated hereby;

(c) the purchase of the Initial Debentures and Initial Warrants by the Lender shall be legally permitted by all Laws to which the Lender, the Issuer, and the Company are subject, and all authorizations, approvals or permits of, or filings with, any Governmental Body that are required by Law in connection with the lawful sale and issuance of the Initial Debentures by the Company and/or the Issuer shall have been duly obtained by the Company and/or the Issuer, as applicable, and shall be effective;

(d) the representations and warranties of the Company and the Issuer contained in this Agreement shall be true and correct at the Closing Time and the Company and the Issuer shall have performed and complied with all of the terms, covenants, agreements and conditions to be performed or complied with by it at or prior to the Closing Time;

(e) certificates representing the Initial Debentures and Warrant Certificates (both in form and substance satisfactory to the Lender, acting reasonably) subscribed for by the Lender as provided for in Section 2.1 shall be delivered to the Lender, or as the Lender may otherwise direct;

(f) on the Closing Date, the Company and each Subsidiary shall have executed and delivered, or caused to be executed and delivered, to the Lender, a certificate signed by the appropriate officers of such Person certifying, *inter alia*, as to the (i) Articles and notice of articles of the Company, and all constating, organizational or governing documents of each Subsidiary, (ii) resolutions of the board of directors, managers, shareholders or members, as applicable, of the Company and each Subsidiary authorizing and approving such Person's execution, delivery and performance of their obligations under the Transaction Agreements,, and (iii) incumbency and signatures of the signing officers of the Company and each Subsidiary;

(g) the Company shall deliver a certificate of good standing of recent date for the Company and each of its subsidiaries from the relevant authority in each jurisdiction in which such Person is qualified to do business;

(h) the Lender shall have received from counsel for the Company an opinion, dated the Closing Date, in form and substance satisfactory to the Lender, acting reasonably, including opinions in respect of corporate matters, enforceability, authorization, due execution, perfection and other matters reasonably requested by Lender, and from counsel to the Company's Subsidiaries an opinion, dated the Closing Date, in form and substance satisfactory to the Lender, acting reasonably, including opinions in respect of corporate matters and ownership of the Subsidiaries enforceability, authorization, due execution, perfection and other matters reasonably requested by Lender;

(i) the Security Documents, Board Observer Agreement, Fee Letter and Intercompany Note shall have been executed and delivered by the Credit Parties to the Lender, and all investment property required to be delivered into the physical possession of the Collateral Agent thereunder shall have been so delivered; and

(j) such other documentation as the Lender may reasonably require, in form and substance satisfactory to the Lender, acting reasonably, shall have been prepared, executed and delivered.

The foregoing conditions are for the exclusive benefit of the Lender, provided that any of the said conditions may be waived in writing in whole or in part by any the Lender without prejudice to such Lender's rights of rescission in the event of the non-fulfilment and/or non-performance of any other conditions, any such waiver to be binding on the Lender only if the same is in writing.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS OF COMPANY

The Company and the Issuer each represent and warrant as of the date hereof, and covenant to the Lender as follows, and acknowledge that the Lender is relying upon the representations, warranties and covenants contained in this Agreement and in any certificate or other document delivered pursuant hereto in connection with the purchase by the Lender of the Debentures and Warrants.

Notwithstanding anything contained herein, each of the representations and warranties given by the Company and the Issuer in this Article 4, are deemed to specifically exclude any U.S. federal laws, statutes, codes, ordinances, decrees, rules, regulations which apply to the production, trafficking, distribution, processing, extraction, and/or sale of marijuana (cannabis) and related substances, other than Code Section 280E.

4.1 CORPORATE POWER AND DUE AUTHORIZATION

Each Credit Party has the corporate or other organizational power and capacity to enter into, and to perform its obligations under, each of the Transaction Agreements to which it is a party. Each of the Transaction Agreements has been duly authorized, executed and delivered by each Credit Party thereto, and is a valid and binding obligation of such Credit Party enforceable against it in accordance with its terms, subject to Debtor Relief Laws, and the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court. Each action required to be performed by a Credit Party hereunder has been duly authorized by such Credit Party and, as applicable, its shareholders or members.

4.2 INCORPORATION, QUALIFICATION AND CAPACITY

Each Credit Party has been duly incorporated and organized and is validly existing as a corporation under the Laws of the jurisdiction in which it was incorporated, amalgamated, continued, formed or organized as the case may be, and except as disclosed on Schedule 4.2, no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Credit Party. Each Credit Party is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification (except for such jurisdictions where the failure to be so qualified could not result in a Material Adverse Effect) and has all requisite corporate power and authority to conduct its business and to own, lease and operate its properties and assets.

4.3 CAPITAL OF THE COMPANY

(a) The authorized and issued share capital of the Company conforms to the description thereof contained in filings on SEDAR orSchedule 4.3(a). All of the issued and outstanding shares of the Company have been duly and validly authorized and issued as fully paid and non-assessable, and none of the outstanding shares of the Company were issued in violation of the pre-emptive or similar rights of any security holder of the Company.

(b) The terms and the number of options to purchase Shares granted by the Company currently outstanding conforms to the description thereof contained in filings on SEDAR or Schedule 4.3(b) and other than as contemplated by this Agreement, and options granted to directors, officers, employees and consultants of the Company to purchase Shares as described in filings on SEDAR or Schedule 4.3(b), no person, firm or corporation has any agreement or option, right or privilege (contractual or otherwise) capable of becoming an agreement (including convertible or exchangeable securities and warrants) for the purchase or acquisition from any Credit Party of any interest in any Shares or other securities of any Credit Party whether issued or unissued.

4.4 NO SHAREHOLDER AGREEMENTS

Except as described in filings on SEDAR or as set forth on Schedule 4.4, there are no voting trusts or agreements, shareholders' agreements, buy sell agreements, rights of first refusal agreements, agreements relating to restrictions on transfer, pre-emptive rights agreements, tag-along agreements, drag-along agreements or proxies relating to any of the securities of any Credit Party, to which the Credit Party is a party.

4.5 SUBSIDIARIES

Except as disclosed on Schedule 4.5, the Company has no direct or indirect material subsidiaries other than the Subsidiaries, nor any investment in any person other than the Investments, which, for the year ended December 31, 2019 accounted for, or which, for the two fiscal quarters ended June 30, 2020 is expected to account for, more than five percent (5%) of the assets or revenues of the Company or would otherwise be material to the business and affairs of the Company. The Company owns, directly or indirectly, all of the issued and outstanding shares of the Subsidiaries, all of the issued and outstanding shares of the Subsidiaries are issued as fully paid and non-assessable shares, free and clear of all Liens, and no person, firm or corporation has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from any of Credit Party of any interest in any of the shares in the capital of the Subsidiaries.

4.6 NO CONTRAVENTION

Neither the entering into nor the delivery of the Transaction Agreements nor the performance by the any Credit Party of any of its obligations under the Transaction Agreements will be in conflict with, contravene, breach or result in any default under, or result in the creation of any lien or encumbrance under, or relieve any person from its obligations under:

(a) the Articles, notice of articles or other constating or organizational documents of any Credit Party;

(b) any mortgage, lease, contract or other legally binding agreement, instrument, license or permit, to which any Credit Party is a party or by which it may be bound (with respect to the Tranche 4 Funding Date only, excluding all agreements under which a default would occur if the Restructuring Support Agreement was not in effect); or

(c) any applicable Law, statute, regulation, rule, order, decree, judgement, injunction or other restriction of any Governmental Body to which any Credit Party or of its or their respective assets or Business may be subject.

None of the Credit Parties is (i) in violation of its Articles or any other constating or organizational documents of such Credit Parties or (ii) in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, except in the case of clause (ii) for any such violations or defaults that (x) could not result in a Material Adverse Effect or (y) with respect to the Tranche 4 Funding Date only, any default or event of default existing as of the date of this Agreement, all of which are deemed to have been forborne so long as the Restructuring Support Agreement is in effect.

4.7 ISSUANCE OF SHARES

The Shares to be issued as described in this Agreement (including, for greater certainty, the Shares, to be issued upon exercise of the Warrants or assignment of the Debentures in exchange for Shares) have been, or prior to the Closing Time will be, duly created and reserved for issuance and, when issued, delivered and paid for in full, will be validly issued and fully paid shares in the capital of the Company, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Company.

4.8 BANKRUPTCY

Other than transactions contemplated by the Restructuring Support Agreement, none of the Credit Parties has proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, taken any proceeding to have a receiver appointed over its assets, and other than actions taken by the Collateral Agent or Lenders prior to the Restructuring Support Agreement being in effect, none of the Credit Parties have had any petition for a receiving order in bankruptcy filed against it, had any encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

4.9 COMPLIANCE WITH LAWS

(a) Except as disclosed in filings on SEDAR or Schedule 4.9, the Company and each of its subsidiaries (i) each conducted and have each been conducting their business in compliance in all material respects with all applicable Laws of each jurisdiction in which its business is or is expected to be carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws, (ii) are not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Company or any of its subsidiaries, as applicable, and (iii) hold all, and are not in breach of any, Permits that enable its business to be carried on as now conducted; except in each case where the failure to be in such compliance or to hold such Permits could not reasonably be expected to result in a Material Adverse Effect.

(b) The Company is a reporting issuer in good standing in the Qualifying Provinces under the Canadian Securities Laws and is not in default of any requirement of such Canadian Securities Laws and is not included in a list of defaulting issuers maintained by the Securities Commissions. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Company.

(c) The outstanding Common Shares are listed and posted for trading on the CSE, and all necessary notices and filings have been made with, and all necessary consents, approvals and authorizations have been obtained by the Company from, the CSE to ensure that the Common Shares to be issued as described in this Agreement, including, without limitation, the Warrant Shares and the Shares issued under the Unit Subscription Agreement, will be listed and posted for trading on the CSE upon their issuance. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Company.

(d) No order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Credit Party has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by any Governmental Body or other regulatory authority. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Company.

(e) The Company is in compliance in all material respects with its continuous and timely disclosure obligations under applicable Canadian Securities Laws and the rules and regulations of the CSE and has filed all documents required to be filed by it with the Canadian Securities Commissions under applicable Canadian Securities Laws, and no document has been filed on a confidential basis with the Canadian Securities Commissions that remains confidential at the date hereof; provided that, solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), the foregoing representation is excluded and not made by the Company. None of the documents filed in accordance with applicable Canadian Securities Laws contained, as at the date of filing thereof, a misrepresentation.

(f) No Securities Commission, stock exchange or comparable authority has issued any order preventing the distribution of the Shares in any Qualifying Province nor instituted proceedings for that purpose, nor is any such proceeding pending, and, to the knowledge of the Company, no such proceedings are pending or contemplated. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Company.

(g) Except where any non-compliance could not reasonably be expected to have a Material Adverse Effect, (i) the Company and each of its subsidiaries is in compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, including, without limitation, the U.S. Fair Labor Standards Act, and neither the Company nor any of its subsidiaries has engaged in any unfair labour practice, (ii) the Company and each of its subsidiaries has complied with all applicable Laws relating to work authorization and immigration and (iii) all payments due from the Company or any of its subsidiaries on account of employee wages and health and welfare and other benefits insurance have been paid or accrued as a liability on the books of the relevant Person. There are no strikes or other material labor disputes against the Company or any of its subsidiaries.

(h) The operations of the Company and its subsidiaries have been conducted at all times in compliance with each of, and will not use the Proceeds, directly or indirectly, in violation of any of, the applicable federal and state laws relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including the financial recordkeeping and reporting requirements of The Bank Secrecy Act of 1970, as amended; Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"); the Foreign Corrupt Practices Act; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) the Trading with the Enemy Act, as amended, the International Emergency Economic Powers Act, as amended, and each of the foreign assets control regulations of the U.S. Treasury Department (31 C.F.R. Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and neither the Company nor any of its subsidiaries is, nor will the Proceeds be used for the purpose of financing any activities or businesses of or with any Person that, at the time of such financing, is (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person with which the Purchasers are prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or (v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list or any other person (including any foreign country and any national of such country) with whom the U.S. Treasury Department prohibits doing business in accordance with OFAC regulations. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to Anti-Terrorism Laws is pending or, to the knowledge of the Company or any of its subsidiaries, threatened.

(i) Neither the Company nor any of its subsidiaries, any employee or agent thereof, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws.

(j) Except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(i) each Credit Party and its respective properties and operations are and, other than any matters which have been finally resolved without further liability or obligation, have been in compliance with all Environmental Laws, which includes obtaining, maintaining and complying with all applicable Environmental Permits required under such Environmental Laws to carry on the business of such Credit Party;

(ii) none of the Credit Parties have received any written notice that alleges any of them is in violation of or potentially liable under any Environmental Laws, and none of the Credit Parties nor any of the real property owned, leased or operated, or licensed to a franchisee (subject to, in the case of such franchised real property not managed by the Credit Parties or their respective Affiliates, the knowledge of the Company) by any Credit Party is the subject of any claims, investigations, liens, demands, or judicial, administrative or arbitral proceedings pending or, to the knowledge of the Company, threatened, under or relating to any Environmental Law;

(iii) there has been no Release of Hazardous Materials on, at, under or from any real property or facilities currently or formerly owned, leased or operated, or licensed to a franchisee (subject to, in the case of such franchised real property not operated by the Credit Parties or their respective Affiliates, the knowledge of the Company) by any Credit Party, or arising out of the conduct of the Credit Parties that could reasonably be expected to require investigation, remedial activity, corrective action or cleanup by, or on behalf of, any Credit Party or could reasonably be expected to result in any material Environmental Liability; and

(iv) there are no facts, circumstances or conditions arising out of or relating to the Credit Parties or any of their respective operations or any facilities currently or, to the knowledge of the Company, formerly owned, leased or operated, or licensed to a franchisee (subject to, in the case of such franchised real property not operated by the Credit Parties or their respective Affiliates, the knowledge of the Company) by any of the Credit Parties, that could reasonably be expected to require investigation, remedial activity, corrective action or cleanup by, or on behalf of, any Credit Party or would reasonably be expected to result in any material Environmental Liability.

The Company has made available to the Lender all environmental reports, studies, assessments, audits, or similar documents containing information regarding any Environmental Liability that are in the possession or control of any Credit Party. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Company.

(k) As of the date hereof, there are no past unresolved, pending or threatened claims, complaints, notices or requests for information with respect to any alleged violation of any law, statute, order, regulation, ordinance or decree and no conditions exist at, on or under any Leased Premises which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect.

(l) The Company has provided the Lender with copies of all requested material documents and correspondence relating to the Permits issued to the Company and its subsidiaries or any Person in which the Company or its subsidiaries holds an Investment pursuant to applicable United States state cannabis laws (collectively, the "**Licenses**"). The Company, the Subsidiaries and, to the knowledge of the Company, each Person in which the Company or its Subsidiaries holds an Investment, are each in compliance in all material respects with the terms and conditions of all such Licences and all other Permits required in connection with their respective businesses and the Company does not anticipate any variations or difficulties in such Licenses or any other required Permits being renewed.

(m) Neither the Company nor any of its subsidiaries has received any notice or communication from any Person in which it holds an Investment or any applicable regulatory authority in the United States or any state or municipality thereof alleging a material defect, default, violation, breach or claim in respect of any License.

(n) All product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Company, any Subsidiary and, to the knowledge of the Company, any Person in which they hold an Investment, in connection with their business is being conducted in accordance with best industry practices and in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects.

(o) The Company, each Subsidiary and, to the knowledge of the Company, any Person in which they hold an Investment, has security measures and safeguards in place to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Company, the Subsidiaries and, to the knowledge of the Company, any Person in which they hold an Investment, have complied, in all material respects, with all applicable privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner.

(p) No steps have been taken to terminate any Pension Plan or any Canadian Pension Plan. No contribution failure under Section 430 of the Code, Section 303 of ERISA or the terms of any Pension Plan has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 303(k) of ERISA or Section 430(k) of the U.S. Tax Code. The minimum funding standard under Section 412(a) of the U.S. Tax Code and Section 302(a) of ERISA has been met with respect to each Pension Plan and the equivalent funding requirements and other assessments under applicable Canadian federal and provincial Laws have been met and paid with respect to each Canadian Pension Plan, and no condition exists or event or transaction has occurred with respect to any Pension Plan or Canadian Pension Plan which could reasonably be expected to result in the incurrence by any Credit Party of any material liability, fine or penalty. All contributions (if any) have been made to any Multiemployer Pension Plan that are required to be made by any Credit Party or any other member of the Controlled Group under the terms of the plan or of any collective bargaining agreement or by applicable law; neither any Credit Party nor any member of the Controlled Group has withdrawn or partially withdrawn from any Multiemployer Pension Plan, incurred any withdrawal liability with respect to any such plan or received notice of any claim or demand for withdrawal liability or partial withdrawal liability from any such plan, and no condition has occurred which, if continued, could reasonably be expected to result in a withdrawal or partial withdrawal from any such plan, and neither any Credit Party nor any member of the Controlled Group has received any notice that that increased contributions may be required to any Multiemployer Pension Plan to avoid a reduction in plan benefits or the imposition of any excise tax, that any such plan is or has been funded at a rate less than that required under Sections 412 or 431 of the U.S. Tax Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent.

4.10 LITIGATION AND OTHER PROCEEDINGS

(a) Except as disclosed in filings on SEDAR or as set forth onSchedule 4.10(a), no legal or governmental proceedings or inquiries are pending to which the Company or any of its subsidiaries is a party or to which their property or assets are subject that could result in the revocation or modification of any certificate, authority, License or Permit necessary to conduct the business now owned or operated by any such Person which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Company, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to any Credit Party or their property or assets.

(b) Except as disclosed in filings on SEDAR or as set forth onSchedule 4.10(a), there are no actions, suits, judgments, investigations, inquires or proceedings of any kind whatsoever outstanding or pending (whether or not purportedly on behalf of any such Person), or, to the knowledge of the Company, pending or threatened against or affecting any Credit Party or any of their respective directors or officers, at law or in equity or before or by any Governmental Body of any kind whatsoever and, to the knowledge of the Company, there is no basis therefor and none of the Credit Parties is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Body which, either separately or in the aggregate, could reasonably be expected to have Material Adverse Effect or could adversely affect the ability of the Company or any Credit Party to perform its obligations under any Transaction Agreement.

(c) There is no pending change, and the Company is not aware of any threatened change in the legislation governing the Company, any Subsidiary or any Person in which the Company or any Subsidiary has an Investment which could reasonably be expected to have a Material Adverse Effect.

(d) Except as disclosed in filings on SEDAR, the Company is not aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Body having lawful jurisdiction over the Company, any Subsidiary or any Person in which the Company or any Subsidiary has an Investment presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any Law, licensing or regulation, by-law or other lawful requirement of any Governmental Body having lawful jurisdiction over the Company, any Subsidiary or any Person in which the Company or any Subsidiary has an Investment presently in force, that the Company anticipates the Company, any Subsidiary or any Person in which the Company or any Subsidiary has an Investment, as applicable, will be unable to comply with or which could reasonably be expected to have a Material Adverse Effect.

4.11 MATERIAL PROPERTY AND ASSETS

(a) Except as disclosed in filings on SEDAR, Schedule 4.11(a)(i) and Schedule 4.11(a)(ii), (i) each Credit Party is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof, including all owned and leased real property as described in filings on SEDAR or Schedule 4.11(a)(i), and no other material property or assets are necessary or useful for the conduct of the business of the Credit Party as currently conducted or as proposed to be conducted, (ii) there is no claim, and the Company has no knowledge of the basis of any claim that might or could materially and adversely affect the right of Credit Parties to use, transfer or otherwise exploit such property or assets, and (iii) other than in the ordinary course of business and as disclosed in filings on SEDAR, Schedule 4.11(a)(i) and Schedule 4.11(a)(ii), none of the Credit Parties has any responsibility or obligation to pay any commission, royalty, license fee or similar payment to any person with respect to the property and assets thereof.

(b) Except as disclosed in filings on SEDAR or any Real Property identified in the Consent Agreement dated as of September 10, 2019 by and among the Company, Gotham Green Admin 1, L.P., Elizabeth Stavola 2016 NV Irrevocable Trust, MPX Bioceutical ULC, and CGX Life Sciences, Inc., none of the Credit Parties has approved or has entered into any agreement in respect of: (i) the purchase of any material assets or any interest therein or the sale, transfer or other disposition of any material assets or any interest therein currently owned, directly or indirectly, by any Credit Party whether by asset sale, transfer of shares or otherwise not identified in the Restructuring Support Agreement; (ii) any change in control (by sale, transfer or other disposition of shares or sale, transfer, lease or other disposition of all or substantially all of the property and assets of any Credit Party) of any Credit Party (with respect to the Tranche 4 Funding Date only, other than as contemplated under the Restructuring Support Agreement and plan of arrangement described therein (so long as the Restructuring Support Agreement is in effect)); or (iii) any proposed or planned disposition of any of the outstanding shares of any Subsidiary by the Company or of any material assets or any interest therein currently owned directly or indirectly by any Credit Party (with respect to the Tranche 4 Funding Date only, other than as contemplated under the Restructuring Support Agreement and plan of arrangement described therein (so long as the Restructuring Support Agreement is in effect)).

(c) All of the material contracts and agreements of the Credit Parties (including, for greater certainty, any contracts and agreements relating to the Investments) have been disclosed in filings on SEDAR and Schedule 4.11(c). None of the Credit Parties has received any notification from any party that it intends to terminate any such material contract or agreement, and there is no default or event of default under any such material contract or agreement.

(d) Each of the material agreements and other documents and instruments pursuant to which any Credit Party holds its Investments, property and assets and conducts its business is a valid and subsisting agreement, document and instrument in full force and effect, enforceable in accordance with the terms thereof, none of the Credit Parties or any other party thereto is in default of any of the material provisions of any such agreements, instruments or documents nor has any such default been alleged, and such Investments and assets are in good standing under the applicable statutes and regulations of the governing jurisdiction.

(e) To the knowledge of the Company, the Company, each of the Subsidiaries and any Person in which the Company or any Subsidiary has an Investment owns or has the right to use all of the Intellectual Property owned or used by their respective businesses as currently conducted. None of the Credit Parties has received any notice nor is it aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that could render any Intellectual Property invalid or inadequate to protect the interests of the Company, any Subsidiary or any Person in which the Company or any Subsidiary has an Investment, as applicable, therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy could have a Material Adverse Effect.

(f) Each of the Credit Parties, as applicable, has taken all reasonable steps to protect its material Intellectual Property in those jurisdictions where, in the reasonable opinion of the Company, the Credit Parties carry on a sufficient business to justify such filings.

(g) Each Credit Party owns or has the right to use under license, sub-license or otherwise all material Intellectual Property used by such Credit Party in each of its businesses and the Intellectual Property owned by the Credit Parties is free and clear of any and all Liens.

(h) There are no material restrictions on the ability of the Credit Parties to use and exploit all rights in the Intellectual Property required in the ordinary course of the Credit Parties' businesses. None of the rights of the Credit Parties in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement.

(i) All registrations of Intellectual Property are in good standing and are recorded in the name of a Credit Party in the appropriate offices to preserve the rights thereto. All such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements, except where such failure to obtain registration could not have a Material Adverse Effect. No registration of Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment cancellation, expungement or lapse could not have a Material Adverse Effect.

(j) As of (i) the Closing Date, (ii) the date on which any real property is acquired or leased by a Credit Party and (iii) the date of the delivery of Mortgages (including pursuant to Section 4.20(r)), each of the Credit Parties has or will have good and marketable fee simple title to, or valid leasehold interests in, or other rights to use all its owned and leased real properties (including all Mortgaged Properties) (collectively, "**Real Properties**"), in each case, except for Permitted Liens. The Mortgaged Properties are free from defects that materially adversely affect, or could reasonably be expected to materially adversely affect, the Mortgaged Properties suitability, taken as a whole, for the purposes for which they are contemplated to be used under the Transaction Documents. Each parcel of Real Property and the use thereof (as contemplated under the Transaction Documents) complies with all applicable Laws (including building and zoning ordinances and codes) and with all insurance requirements except such failure which could not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, none of the Credit Parties has received any written notice of, nor is there to the knowledge of the Company, any pending, threatened or contemplated condemnation proceeding affecting any portion of the Real Properties in any material respect or any sale or disposition thereof in lieu of condemnation. As of the Closing Date, none of the Credit Parties is obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Real Properties or any interest therein. Each parcel of Real Property subject to a Mortgage (or which will be subject to a Mortgage pursuant to Section 4.20(ee)) is served by installed, operating and adequate water, electric, gas, telephone, sewer, sanitation sewer, storm drain facilities and other public utilities necessary for the uses contemplated under the Transaction Agreements to the extent required under applicable Law, except such failure to be served that could not reasonably be expected to result in a Material Adverse Effect.

(k) With respect to each premises of each Credit Party which is material to such Credit Party and which such Credit Party occupies as tenant (the "**Leased Premises**"), such Credit Party occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises. As of the Closing Date and except as disclosed in Schedule 4.11(k), (i) each Credit Party has complied in all material respects with all obligations under all material leases to which it is a party, (ii) all material leases to which any Credit Party is a party are legal, valid, binding and in full force and effect and are enforceable in accordance with their terms, except where such failure could not reasonably be expected to have a Material Adverse Effect and (iii) none of the Credit Parties has defaulted, or with the passage of time could be in default, under any material leases to which it is a party, except for such defaults as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Credit Party enjoys peaceful and undisturbed possession under the material leases to which it is a party, except for leases in respect of which the failure to enjoy peaceful and undisturbed possession could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No claim is being asserted or, to the knowledge of the Company, threatened, with respect to any lease payment under any material lease other than any such Lien or claim that could not reasonably be expected to have a Material Adverse Effect. There is no claim or basis for any claim that might or could adversely affect the right of any Credit Party to use, transfer or otherwise exploit the Leased Premises pursuant in the ordinary course of their respective businesses.

4.12 CORPORATE RECORDS

The corporate or organizational records and minute books of each Credit Party contain complete and accurate (in all material respects) minutes of all meetings (except for the minutes of the most recent board meeting, to be approved at the next meeting of directors or managers, as applicable) and resolutions in lieu of a meeting, of directors and committees thereof and shareholders held since the date of formation of such Credit Party and all such meetings were duly called and held. The share and membership certificate books, registers of shareholders or members, registers of transfers and registers of directors or managers, as the case may be, of each Credit Party are complete and accurate in all material respects. There are no outstanding applications or filings which could alter in any way the corporate or other organizational status or existence of any Credit Party.

4.13 CONSENTS AND APPROVALS

At the Closing Time, all consents, approvals, Permits, authorizations or filings as may be required to be made or obtained by the Company under applicable securities laws and the rules and regulations of the CSE necessary for the execution and delivery of the Transaction Agreements and the creation, issuance and sale, as applicable, of the Debentures and the Warrants, and the consummation of the transactions contemplated by this Agreement, will have been made or obtained, as applicable (other than the filing of reports required under applicable Canadian Securities Laws and U.S. Securities Laws within the prescribed time periods imposed thereby or by the CSE). Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Company.

4.14 NO FINDERS' FEE

No broker, finder, agent or similar intermediary has acted on behalf of any Credit Party in connection with this Agreement or the transactions contemplated hereby, and there are no brokerage commissions, finders' fees or similar fees payable by any Credit Party as a result of the consummation of the transactions contemplated by this Agreement, other than fees to be paid to Canaccord Genuity in connection with the transactions contemplated by the Restructuring Support Agreement.

4.15 MATERIAL FACTS DISCLOSED

None of the foregoing representations, warranties and statements of fact and no other statement furnished by or on behalf of any Credit Party to the Lender in connection with the Transaction Agreements contain any untrue statement of a material fact or omit to state any material fact necessary to make such statement or representation not misleading to a prospective lender or purchaser of securities of the Company seeking full information as to the Company and the properties, financial condition, prospects, businesses and affairs thereof. The Company has made available to the Lender all the information reasonably available to the Company that the Lender have requested. There is no fact which the Company has not disclosed to the Lender and of which the Company is aware which materially and adversely affects or is reasonably likely to materially and adversely affect the Business.

4.16 FINANCIAL, TAX AND DISCLOSURE MATTERS

(a) All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, sales taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, reassessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company or any of its subsidiaries have been paid or accrued, except where the failure to pay such Taxes would not constitute an adverse material fact in respect of the Company or such Credit Party or have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Company and each of its subsidiaries, including Forms 8275 and 8300 as required by the U.S. Tax Code, have been timely filed with all appropriate Governmental Bodies and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, except where the failure to file such documents would not constitute an adverse material fact in respect of the Company or any of its subsidiaries or have a Material Adverse Effect. No examination of any tax return of the Company or any of its subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Body respecting any Taxes that have been paid, or may be payable, by the Company or any of its subsidiaries, in any case except where such examinations, issues or disputes could not constitute an adverse material fact in respect of the Company or any of its subsidiaries or have a Material Adverse Effect. There are no Tax Liens or claims pending or, to the knowledge of the Company or the Issuer, threatened against the Company or any Subsidiary. There are no outstanding tax sharing agreement or other such arrangements between the Company or the Issuer or any other Person.

(b) The financial statements of the Company as at and for the years ended December 31, 2016, December 31, 2017, and December 31, 2018 (together, the **Financial Statements**") have been prepared in accordance with IFRS and present fairly, in all material respects, the financial condition of the Company and its subsidiaries as at the dates thereof and the results of the operations and cash flows of the Company and its subsidiaries for the periods then-ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company and its subsidiaries that are required to be disclosed in such financial statements and there has been no material change in accounting policies or practices of the Company or any Subsidiary since December 31, 2016, except as has been publicly disclosed in the Company's publicly filed documents available under the Company's issuer profile on SEDAR (the "**Disclosure Documents**") and Schedule 4.16.

(c) The Company's auditors, who audited the Financial Statements (as applicable) and who provided their audit report thereon, are independent public accountants as required under applicable securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Company and the Company's auditors.

(d) Other than as set out in the Disclosure Documents and Schedule 4.16, none of the directors, officers or employees of the Company or any of its subsidiaries or any person who owns, directly or indirectly, more than 10% of any class of securities of the Company or securities of any person exchangeable for more than 10% of any class of securities of the Company, or any associate or affiliate of any of the foregoing had or has any material interest, direct or indirect, in any transaction or any proposed transaction with the Company or any of its subsidiaries.

(e) There are no licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Body having lawful jurisdiction over the Company or any of its subsidiaries presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Body having lawful jurisdiction over the Company or any of its subsidiaries presently in force, that the Company anticipates the Company or any of its subsidiaries will be unable to comply with or which could reasonably be expected to materially adversely affect the business of the Company or any of its subsidiaries or the business environment or legal environment under which such entity operates.

(f) There are no material liabilities of the Company or any of its subsidiaries whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the Financial Statements that are not disclosed or reflected in the Financial Statements, except those disclosed in the Disclosure Documents and Schedule 4.16.

(g) There are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or any of the Subsidiaries with unconsolidated entities or other persons.

(h) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (A) transactions are executed in accordance with management's general or specific authorization, and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets.

(i) The Company (A) has designed disclosure controls and procedures to provide reasonable assurance that financial information relating to the Company and each subsidiary is accurate and reliable, is made known to the Chief Executive Officer and Chief Financial Officer of the Company by others within those entities, particularly during the period in which filings are being prepared, (B) has designed internal controls to provide reasonable assurance regarding the accuracy and reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS, and (C) has disclosed in the management's discussion and analysis for its most recently completed financial year, for each material weakness relating to such design existing at the financial year-end (x) a description of the material weakness, (y) the impact of the material weakness on the Company's financial reporting and internal controls over financial reporting, and (z) the Company's further plans, if any, or any actions already undertaken, for remediating the material weakness.

4.17 SEPARATE ENTITIES; SUFFICIENT CAPITAL; SOLVENCY.

(a) Each Credit Party and each of their respective subsidiaries which currently has any operations maintains a separate bank account. Each Credit Party that currently does not have operations and does not have a separate bank account hereby covenants and agrees that prior to beginning any operations, such Credit Party shall open a separate bank account for itself.

(b) The Credit Parties do not comingle their assets, and each Credit Party maintains separate ownership of its assets and operate its business as a separate and distinct operation from any of their Affiliates. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Credit Parties.

(c) Each Credit Party separately maintains sufficient capital and liquid resources to operate its business. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this representation is excluded and not made by the Credit Parties.

(d) On the Closing Date, each Credit Party is Solvent. Solely with respect to the Tranche 4 Funding Date, this representation is excluded and not made by the Company.

4.18 MARGIN REGULATIONS; INVESTMENT COMPANY ACT

Neither the Company nor any other Credit Party is an "investment company" or a company "controlled" by an "investment company" or a "subsidiary" of an "investment company", within the meaning of the U.S. Investment Company Act of 1940. Neither the Company nor any other Credit Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying "margin stock" as defined in Regulation T, U or X of the Board of Governors of the Federal Reserve System or any successor thereto ("**Margin Stock**"). No portion of the Obligations is secured directly or indirectly by Margin Stock.

4.19 SECURITY DOCUMENTS

(a) Each Security Document will, upon execution and delivery thereof, be effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, legal, valid and enforceable Liens on, and security interests in, the collateral described therein to the extent intended to be created thereby, and (1) when financing statements and other filings in appropriate form are filed in each applicable filing office for each applicable jurisdiction and (2) upon the taking of possession or control by the Collateral Agent of such collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent possession or control by the Collateral Agent is required by the Security Agreement), the Liens created by the Security Documents (other than the Mortgages) shall constitute fully perfected first-priority Liens on, and security interests in (to the extent intended to be created thereby), all right, title and interest of the grantors in such collateral to the extent perfection can be obtained by filing financing statements or the taking of possession or control, in each case subject to no Liens other than Permitted Liens.

(b) Upon recording thereof in the appropriate recording office, each Mortgage is effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Secured Parties, legal, valid and enforceable perfected Liens on, and security interest in, all of the Credit Parties' right, title and interest in and to the properties mortgaged to the Collateral Agent thereunder (the "**Mortgaged Properties**") and the proceeds thereof, subject only to Permitted Liens, and when the Mortgages are filed in the appropriate recording office, the Mortgages shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the Credit Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other Person, other than Permitted Liens

4.20 COVENANTS OF THE COMPANY

Until the Obligations are paid in full, or such other period as indicated below (including, without limitation, as provided in Article 7(b):

(a) Securities Filings. The Company will, within the required time, file with any applicable securities agency, any documents, reports and information, in the required form, required to be filed by applicable securities Laws in connection with the issuance of the Debentures and Warrants, together with any applicable filing fees and other materials. The Company will, within the required time, file with any applicable securities agency, any documents, reports and information, in the required form, required to be filed by applicable securities Laws in connection with the issuance of the Debentures and Warrants, together with any applicable filing fees and other materials.

(b) Other Information. The Company will promptly deliver to Lender (such additional information regarding the business, legal, financial or corporate affairs of the Credit Parties or any of their respective subsidiaries, or compliance with the terms of the Transaction Agreements, as Lender may from time to time reasonably request. For the avoidance of doubt, unless the Lender informs the Company within fifteen (15) days after the end of a given calendar month that the following disclosures will not be required, the Company will deliver to the Lender, through the Board Observers, within thirty (30) days after the end of each calendar month, the same financial monthly information as the Company's management provides to the board of directors, which information will include, to the extent available, a consolidated balance sheet of the Company and its subsidiaries as at the end of such month and the related consolidated statements of income or operations for such month and the portion of the fiscal year then ended, setting forth in comparative form, in each case, commencing with the month ended May 30, 2018, the figures for the corresponding month of the previous fiscal year and the corresponding portion of the previous fiscal year, and statements of members' equity for the current month and consolidated statement of cash flows for the portion of the fiscal year then ended, setting forth in each case in comparative form, commencing with the month ended May 30, 2018, the figures for the corresponding portion of the previous fiscal year, all in reasonable detail.

(c) Notices. Promptly after an officer of any Credit Party has obtained knowledge thereof, notify Lender: (i) of the occurrence of any Event of Default occurring after the date hereof; (ii) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect; (iii) of the filing or commencement of any action, suit, litigation or proceeding, whether at law or in equity by or before any Governmental Body, (1) against the Company or any of its subsidiaries thereof that could reasonably be expected to result in a Material Adverse Effect or (2) with respect to any Transaction Agreement; and (iv) the institution of any steps by any Credit Party or any member of the Controlled Group or any other Person to terminate any Pension Plan or any Canadian Pension Plan, or the failure of any Credit Party or any member of the Controlled Group or any other Person to make a required contribution to any Pension Plan (if such failure is sufficient to give rise to a Lien under Section 303(k) of ERISA or Section 430(k) of the U.S. Tax Code) or to any Multiemployer Pension Plan or a failure to make a required contribution to or pay a due and owing assessment with respect to any Canadian Pension Plan under equivalent applicable Canadian federal or provincial Laws, or the taking of any action with respect to a Pension Plan which could reasonably be expected to result in the requirement that any Credit Party furnish a bond or other security to the PBGC or such Pension Plan, or the occurrence of any event with respect to any Pension Plan or Multiemployer Pension Plan which could reasonably be expected to result in the incurrence by any Credit Party of any material liability, fine or penalty (including any claim or demand for withdrawal liability or partial withdrawal from any Multiemployer Pension Plan), or any material increase in the contingent liability of any Credit Party or any member of the Controlled Group with respect to any post-retirement welfare plan benefit, or any notice that increased contributions may be required to by a Credit Party or any member of the Controlled Group with respect to a Multiemployer Pension Plan avoid a reduction in plan benefits or the imposition of an excise tax, that any such plan is or has been funded at a rate less than that required under Sections 412 or 431 of the U.S. Tax Code, that any such plan is or may be terminated, or that any such plan is or may become insolvent. Each of the foregoing notices shall be accompanied by a written statement of an officer of the Company (x) that such notice is being delivered pursuant to 4.20(d)(i), (ii), (iii) or (iv) (as applicable) and (y) setting forth details of the occurrence referred to therein and stating what action the Company has taken and propose to take with respect thereto.

(d) Reporting Issuer. The Company will continue to be a reporting issuer in good standing in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and the Company will cause its Common Shares (including the Warrant Shares issuable upon exercise of the Warrants) to continue to be listed for trading on the CSE or quoted on the OTC. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), this covenant is excluded and not made by the Company.

(e) Books and Records; Inspections. The Company will maintain and cause each subsidiary to maintain, complete and accurate books and records, permit, and cause each subsidiary to permit, the Lender to have access to such books and records permit, and cause each subsidiary to permit, the Lender to have access to such books and records, and permit, and cause each subsidiary to permit, the Lender to inspect the properties and operations of the Company and each subsidiary on reasonable advance notice and during normal business hours. The Company shall permit up to one such inspection per fiscal quarter, which consent shall not be unreasonably withheld, conditioned or delayed, unless an Event of Default shall have occurred and be continuing, in which event Lender may conduct additional inspections in its sole discretion, at the Company's sole expense.

(f) Field Examinations. If requested by Lender, the Company will submit to field examinations conducted by an examiner selected by Lender in form and substance reasonably satisfactory to the Lender at the Company's sole expense not to exceed $75,000 for each field examination without the Company's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. The Company shall permit up to two such field examination per fiscal year and subject to the foregoing limitation on Company expense, unless an Event of Default shall have occurred and be continuing, in which event Lender may conduct additional field examinations in its sole discretion at the Company's sole expense. Lender shall give the Company reasonable advance notice of each such examination, and each shall be conducted during normal business hours in a manner so as not to unreasonably disrupt the business and operations of the Company.

(g) PFIC Status. For each tax year that the Company qualifies as a passive foreign investment company (a '**PFIC**"), if any, the Company will make available to all United States' holders of Warrants and Debentures, upon their written request: (a) information, based on the Company's reasonable analysis, as to its status as a PFIC and the status as a PFIC of any subsidiary in which the Company owns more than 50% of such subsidiary's aggregate voting power, (b) a "PFIC Annual Information Statement" as described in U.S. Treasury Regulation Section 1.1295-1(g) (or any successor Treasury Regulation) and (c) all information and documentation that a United States shareholder is required to obtain for United States federal income tax purposes or that may be helpful or useful in making any relevant elections, including, without limitation, a qualifying electing fund election with respect to the Company and any more than 50% owned subsidiary PFIC, as determined by aggregate voting power.

(h) Board Observers and Director Appointment. At the Closing Time, the Lender shall be irrevocably and unconditionally (subject to the express terms hereof) granted the right to appoint two nonvoting observers to the Company's board of directors (together the "**Observers**" and individually an "**Observer**"). The appointments will become effective as of the Closing Time. The Observers shall be provided with notice of, and relevant materials to be considered at, all meetings of the board of directors of the Company (and all subcommittees thereof) and shall be entitled to attend and participate (other than voting) in all meetings of the Company's board of directors (and all subcommittees thereof); provided, however, that the observer will be subject to the same obligations of confidentiality to which all of the Company's board members are subject, and the Lender acknowledges and agrees that the Observers shall each recuse himself or herself from any portion of any meeting that pertains to the Lender or its affiliates (other than in respect of the Debentures). The Lender's board observer right shall continue for as long as the Debentures and Warrants (or any portion of them) remain outstanding. The Observers may participate in the discussions of matters brought to the Company's board of directors provided that such Observer shall have no voting rights. The Observers shall also be entitled to the same indemnification, insurance and other protections to which the other members of the Company's board are entitled. Subject to the terms of the Board Observer Agreement, Lender may replace the Observers, or any one Observer, with a different Observer at any time in its sole discretion. In addition to the foregoing, the Company agrees that it will appoint a qualified person nominated by the Lender (the "**Lender Nominee**"**)** to its board of directors. Such appointment is subject to regulatory approval and the Lender Nominee filing and clearing a personal information form with the CSE.

(i) Intentionally omitted.

(j) Anti-Dilution Right. In the event that the Company proposes to issue any Shares or convertible securities other than stock options pursuant to the Company's stock option plans (the "**Affected Securities**"), the Company shall offer for subscription to the Lender that number of Affected Securities that bears the same proportion to the total number of Affected Securities as the number of Shares held by the Lender (assuming the exercise by the Lender of any outstanding but unexercised Warrants or other dilutive securities of the Company held by the Lender) bears to the fully-diluted number of Shares outstanding (the "**Proportionate Entitlement**") at the date of the offer, on terms (including price) no less favourable than the terms upon which the Company proposes to issue Affected Securities. Such offer shall be made in writing by the Company to the Lender and shall contain a description of the terms and conditions relating to the Affected Securities and shall state the price at which the Affected Securities are offered and the date on which the purchase of Affected Securities by is to be completed and shall state that if the Lender wishes to subscribe for Affected Securities, the Lender may do so by giving notice of the exercise of the participation right to the Company within five (5) Business Days after the receipt of the offer failing which the Lender shall be deemed to have waived its right to acquire the Affected Securities pursuant to the provisions of this Section. The offer shall also state that the Lender may subscribe for a number of Affected Securities less than its Proportionate Entitlement if it elects to do so.

(k) Participation Right. The Company shall notify the Lender of each proposed offering of debt securities which is not subject to Section 4.20(j) ("**Debt Offering**") by the Company or any of its Subsidiaries within a commercially reasonable time prior to the initial closing of such offering. The Lender shall have the right to participate in such Debt Offering, subject to negotiations in good faith by the Company and the Lender of the terms of such Debt Offering and of definitive documentation therefor.

(l) Preservation of Existence; Maintenance of Properties. Except to the extent that failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Credit Party shall (i) preserve, renew and maintain in full force and effect its legal existence under the laws of the jurisdiction of its organization; (ii) take all reasonable action to maintain all rights, privileges (including its good standing where applicable in the relevant jurisdiction), Permits, Licenses and franchises necessary or desirable in the normal conduct of its business; and (iii) maintain, preserve and protect all of its material tangible or intangible properties and equipment necessary in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and fire, casualty or condemnation excepted, and having regard to its current financial condition and COVID-19.

(m) Maintenance of Insurance. Each Credit Party shall maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Credit Parties) as are customarily carried under similar circumstances by such other Persons.

(i) All such insurance shall (1) subject to the agreement of the relevant insurance provider, provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least ten (10) days (or, to the extent reasonably available, thirty (30) days) after receipt by the Collateral Agent of written notice thereof, (the Company shall deliver a copy of the policy (and to the extent any such policy is cancelled or renewed, a renewal or replacement policy) or other evidence thereof to the Collateral Agent, or insurance certificate with respect thereto) and (2) name the Collateral Agent as loss payee (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance) (it being understood that, absent an Event of Default, any proceeds of any such property insurance shall be delivered by the insurer(s) to the Company or one of its Subsidiaries), as applicable.

(ii) If any portion of any Mortgaged Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then the Company shall, or shall cause each Credit Party to (1) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (2) deliver to Lender evidence of such compliance in form and substance reasonably acceptable to Lender. Following the Closing Date, the Company shall deliver to Lender annual renewals of such flood insurance.

(n) Payment of Taxes and Other Obligations. Subject to the Interim Financing Budget (so long as the Restructuring Support Agreement is in effect), each Credit Party shall pay, discharge or otherwise satisfy as the same shall become due and payable in the normal conduct of its business, all its obligations and liabilities in respect of Taxes imposed upon it or upon its income or profits or in respect of its property and other governmental charges against it or any of its property, as well as claims of any kind which, if unpaid, could become a Lien on any of its property, except, in each case, (i) to the extent any such Tax is being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with IFRS or (ii) if such failure to pay or discharge such obligations and liabilities could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(o) Compliance with Laws. Each Credit Party shall comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except if the failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(p) Compliance with Environmental Laws. Except, in each case, to the extent that the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Credit Party shall comply, and take all commercially reasonable actions to cause all lessees and other Persons operating or occupying its properties to comply with all applicable Environmental Laws and Environmental Permits; obtain, maintain and renew all Environmental Permits necessary for its operations and properties; and, in each case to the extent the Credit Parties are required by Environmental Laws, conduct any investigation, remedial or other corrective action necessary to address Hazardous Materials at any property or facility in accordance with applicable Environmental Laws.

(q) Employee Benefit Plans. The Company shall:

(i) Maintain, and cause each other Credit Party and each member of the Controlled Group to maintain, each Pension Plan in substantial compliance with all applicable requirements of law and regulations.

(ii) Make, and cause each other Credit Party and each member of the Controlled Group to make, on a timely basis, all required contributions to any Multiemployer Pension Plan.

(iii) Not, and not permit any other Credit Party or any member of the Controlled Group to (A) seek a waiver of the minimum funding standards of ERISA, (B) terminate or withdraw from any Pension Plan or Multiemployer Pension Plan or (C) take any other action with respect to any Pension Plan that would reasonably be expected to entitle the PBGC to terminate, impose liability in respect of, or cause a trustee to be appointed to administer, any Pension Plan, unless the actions or events described in clauses (A), (B) and (C) individually or in the aggregate would not have a Material Adverse Effect.

(iv) Not, and not permit any other Credit Party to terminate any Canadian Pension Plan, unless such termination would not have a Material Adverse Effect.

(r) Additional Collateral; Additional Guarantors. At the Company's expense, take all action either necessary or as reasonably requested by the Collateral Agent to ensure that the Obligations continue to be secured by substantially all of the assets of the Credit Parties (other than Excluded Property, as defined in the Security Agreements), including:

(i) Upon (x) the formation or acquisition of any new direct or indirect wholly owned subsidiary by a Credit Party or (y) the date on which a subsidiary previously classified as an Immaterial Subsidiary becomes a Material Subsidiary, within sixty (60) days after such formation, acquisition or reclassification, or such longer period as Lender may agree in writing in its discretion, notify Lender thereof and:

A. cause each such subsidiary to duly execute and deliver to the Collateral Agent joinders to this Guaranty and Security Agreement as Guarantors and Grantors, Mortgages, Intellectual Property Security Agreements, a counterpart of the Intercompany Note, if applicable, and other security agreements and documents, as reasonably requested by and in form and substance reasonably satisfactory to Lender (consistent with the Security Agreements), in each case granting Liens on all assets of such subsidiary other than Excluded Property (as defined in the Security Agreements);

B. cause each such subsidiary (and the parent of each such subsidiary that is a Guarantor) to deliver any and all certificates representing equity interests (to the extent certificated) and intercompany notes (to the extent certificated), accompanied by undated stock powers or other appropriate instruments of transfer executed in blank;

C. take and cause such subsidiary and each direct or indirect parent of such subsidiary to take whatever action (including the recording of Mortgages, the filing of Uniform Commercial Code financing statements and intellectual property security agreements, and delivery of stock and membership interest certificates) as may be necessary in the reasonable opinion of the Collateral Agent to vest in the Collateral Agent (or in any representative of the Collateral Agent designated by it) valid and perfected Liens on all assets of such subsidiary other than Excluded Property (as defined in the Security Agreements);

(ii) If reasonably requested by Lender, within sixty (60) days after such request (or such longer period as Lender may agree in writing in its reasonable discretion), deliver to the Lender a signed copy of an opinion, addressed to the Lender and the Collateral Agent, of counsel for the Credit Parties reasonably acceptable to the Lender as to such matters set forth in this Section 4.20(r) as Lender may reasonably request;

(iii) Not later than thirty (30) days after any new deposit account or securities account is opened by any Credit Party (excluding any accounts used solely to fund payroll or employee benefits), use commercially reasonable efforts to deliver to the Collateral Agent a Control Agreement with respect to each such account. Provided that, if such Credit Party's commercially reasonable efforts are unable to result in the delivery to the Collateral Agent of a Control Agreement with respect to such applicable account, the Credit Party's obligations with respect to this covenant will be deemed to have been satisfied by providing written notice to the Collateral Agent of same.

(iv) As promptly as practicable after the request therefor by the Collateral Agent, deliver to the Collateral Agent with respect to each Real Property, any existing title reports, abstracts, surveys, appraisals or environmental assessment reports, to the extent available and in the possession or control of the Credit Parties or their respective subsidiaries;

(v) (1) Not later than ninety (90) days after the acquisition by any Credit Party of any Real Property (or such longer period as Lender may agree in writing in its reasonable discretion), which property would not be automatically subject to another Lien pursuant to pre-existing Security Documents, cause such property to be subject to a Lien and Mortgage in favor of the Collateral Agent for the benefit of the Secured Parties and take, or cause the relevant Credit Party to take, such actions as shall be necessary or reasonably requested by the Collateral Agent to grant and perfect or record such Lien; and (2) as promptly as practicable after the request therefor by Lender, deliver to the Collateral Agent with respect to each such acquired Real Property, any existing title reports, abstracts, surveys, appraisals or environmental assessment reports, to the extent available and in the possession or control of the Credit Parties or their respective subsidiaries; and

(vi) Following the entering into of any lease agreement for any Leased Premises, upon the reasonable written request of the Collateral Agent thereafter (or such later date as agreed by the Collateral Agent in its sole discretion), the Credit Parties shall use commercially reasonable efforts deliver to the Collateral Agent an acknowledgement or waiver from each landlord party to such lease agreement regarding the Collateral, in each case in form and substance reasonably satisfactory to the Collateral Agent, with respect to each Leased Premises where Collateral is located and has a book value in excess of $100,000 with respect to any one Leased Premises, or $150,000 in the aggregate for all Leased Premises.

(s) Further Assurances. Promptly upon reasonable request by Lender, each Credit Party shall (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Security Document or other document or instrument relating to any collateral securing the Obligations, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as Lender may reasonably request from time to time in order to carry out more effectively the purposes of the Security Documents. If the Collateral Agent reasonably determines that it is required by applicable Law to have appraisals prepared in respect of the Real Property of any Credit Party subject to a Mortgage, the Company shall provide to the Collateral Agent appraisals that satisfy the applicable requirements of FIRREA.

(t) Dividends. The Company will not declare or pay any dividend or other distribution either in cash or in kind, except in connection with the ordinary cash management procedures between the Company and its direct and indirect subsidiaries and affiliates or any intercompany dividends or distributions made that are consistent with past practice, provided that no such dividends or distributions shall be made to an entity that is not subject to the Liens in favour of the Collateral Agent.

(u) Redemptions; Prepayments. The Company will not, and will not permit any of its subsidiaries to make an issuer bid or otherwise redeem any outstanding securities of the Company or any of its subsidiaries, or prepay, redeem, purchase or otherwise satisfy prior to the scheduled maturity in any manner (it being understood that payments of regularly scheduled principal and interest shall be permitted), any Indebtedness that is subordinated to the Obligations.

(v) Liens. Other than and as permitted by the Transaction Documents or disclosed to the Lenders in the schedules hereto or in the Interim Financing Budget, none of the Credit Parties will create or permit to exist any Lien with respect to any assets now owned or hereafter acquired by any Credit Party, except the following Liens (herein collectively called the "**Permitted Liens**"): (a) Liens granted in connection with the acquisition of property after the date hereof and attaching only to the property being acquired, if the indebtedness secured thereby neither exceeds such property's fair market value at the time of acquisition thereof nor $250,000 in the aggregate for Company and its subsidiaries collectively at any one time outstanding, (b) Liens for taxes not yet due and owing, current taxes and duties not delinquent or for taxes being contested in good faith by appropriate proceedings, for which adequate reserves have been established in accordance with IFRS, (c) Liens imposed by law, such as mechanics', workers', materialmen's, carriers' or other like liens (excluding Liens arising under ERISA) (i) which arise in the ordinary course of business for sums not due or sums which the Company is contesting in good faith by appropriate proceedings, for which adequate reserves have been established in accordance with IFRS, (ii) which are set forth in the Interim Financing Budget or Schedule 4.20(v) as of the initial Tranche 4 Funding Date, or (iii) other such Liens if the sums secured by such Liens are not in the aggregate in excess of USD$2,200,000, provided that the Liens permitted under this clause (c)(iii) of Section 4.20(v) shall only be permitted while the Restructuring Support Agreement remains in effect and the Credit Parties are in compliance with the Interim Financing Budget, (d) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other statutory obligations, (e) easements, rights of way, restrictions and other similar charges or encumbrances with respect to real property not interfering in any material respect with the ordinary conduct of the Business, (f) present or future zoning laws and ordinances or other laws and ordinances restricting the occupancy, use or enjoyment of real property, (g) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases statutory obligations, surety and appeal bonds, and other obligations of like nature arising in the ordinary course of business, (h) bankers Liens, rights of setoff and other similar Liens existing solely with respect to cash and cash equivalents on deposit in one or more accounts maintained by any Credit Party, in each case granted in the ordinary course of business in favour of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and other account arrangements; (i) Liens described in Schedule 4.20(v), (j) Liens in favour of lessors securing operating leases; (k) Liens securing the Sage Software Capital Lease and (l) Liens securing the MPX Obligations.

(w) Indebtedness. Except for the Debentures issued pursuant to this Agreement, the Company shall not incur, create, assume, become or be responsible in any manner, whether as debtor, obligor, guarantor, surety or otherwise, with respect to, or permit any of its subsidiaries to incur, create, assume, become or be liable in any manner, whether as debtor, obligor, surety or otherwise, with respect to, any Indebtedness at any one time outstanding, except (i) the Obligations, (ii) debt existing prior to the Closing Date as set forth on Schedule 4.20(x), (iii) liabilities for trade payables and expenses incurred in the ordinary course of business, (iv) the MPX Obligations and (v) the obligations pursuant to the Sage Software Capital Lease.

(x) Investments. Except as disclosed in Schedule 4.20(x), the Company shall not make or permit to exist any loans or advances to, or investments in, any other Person, except for (a) loans or advances to employees that do not, in the aggregate, exceeds $100,000 outstanding at any time, (b) investments in obligations of the United States of America and agencies thereof and obligations guaranteed by the United States of America maturing within one year from the date of acquisition, (c) certificates of deposit, time deposits or repurchase agreements issued by commercial banks organized under the laws of the United States of America (or any state thereof) and having a combined capital surplus, and undivided profits of not less than $250,000,000, by any other domestic depository institution if such certificates of deposit are fully insured by the Federal Deposit Insurance Corporation, or by any Canadian chartered bank whose deposits are insured by the Canada Deposit Insurance Corporation, (d) commercial paper, maturing not more than nine months from the date of issue, provided that, at the time of purchase, such commercial paper is rated not lower than "P-1" or the then-equivalent rating by Moody's Lender's Service or "A-1" or the then-equivalent rating by Standard & Poor's Corporation or, if both such rating services are discontinued, by such other nationally recognized rating service or services, as the case may be, as Company shall select with Lender's consent, (e) bonds the interest on which is excludable from federal gross income under Section 103(a) of the U.S. Tax Code having a long-term rating of not less than "A" by Moody's or S&P or a short term rating of not less than "M1G-1" or "P-1" by Moody's or "A-1" by S&P, (f) investments in regulated money market funds invested in U.S. securities in amounts in the aggregate not exceeding $500,000 or (g) investments, loans or other advances described in reasonable detail in Schedule 4.20(x) in existence on the Closing Date.

(y) Transactions with Affiliates. Except for the transactions described in Schedule 4.20(y), none of the Credit Parties shall enter into any transaction with any Affiliate that is not a subsidiary of the Company, including, without limitation, the purchase, sale or exchange of property or the rendering of any service to any Affiliate that is not the Company or one of its subsidiaries, except in the ordinary course of business consistent with past practices of the Business and on terms substantially as favorable to such Credit Party as would be obtainable by such Credit Party at the time in a comparable arm's-length transaction with a Person other than an Affiliate.

(z) Change of Control. Except as otherwise contemplated in the Restructuring Support Agreement, the Company shall not, and shall not permit any Subsidiary to, be a party to any Change of Control Transaction including without limitation any merger, consolidation or exchange of stock, or purchase or otherwise acquire all or substantially all of the assets or Equity Interests in any Subsidiary, any other Person, or sell, transfer, convey or lease all or any substantial part of its assets, or sell or assign, with or without recourse, any receivables, or permit a Change in Control Transaction or any filing of any creditor protection action relating to the Company or of its subsidiaries, including any action or filing under Debtor Relief Laws.

(aa) Solvency; No Comingling.

(i) Each Credit Party shall be Solvent at all times. Solely with respect to the Tranche 4 Funding Date, this covenant is excluded and not made by the Credit Parties.

(ii) Each Credit Party and each of their respective subsidiaries shall maintains a separate bank account. None of the Credit Parties shall comingle its assets with the assets of any other Person, and each Credit Party shall maintains separate ownership of its assets and operate its business as a separate and distinct operation from any of its Affiliates and any other Person. Solely with respect to the Tranche 4 Funding Date (so long as the Restructuring Support Agreement is in effect), the foregoing covenants in this clause (ii) are excluded and not made by the Credit Parties.

(iii) Each Credit Party shall separately maintain sufficient capital and liquid resources to operate its business. Solely with respect to the Tranche 4 Funding Date, this covenant is excluded and not made by the Company; provided, however, that with respect to the Tranche 4 Funding Date, each Credit Party shall maintain no less than the capital and liquid resources as described in the Interim Financing Budget.

(bb) Use of Proceeds. The Proceeds received on the Closing Date shall not be used for any purpose other than (i) to pay off existing indebtedness of the Credit Parties, (ii) to pay fees, costs and expenses due and payable under the Transaction Agreements, (iii) to pay other costs and expenses incurred in connection with the Company's issuance of the Debenture and Warrant and disclosed to Lender, and (iv) for working capital and general corporate purposes. The proceeds of the Tranche 4 Purchase Price shall be used solely as follows and for no other purpose, and in each case in compliance with the Interim Financing Budget: (x) to fund the Credit Parties' funding requirements during the term of the Restructuring Support Agreement, including funding working capital and other general corporate purposes of the Credit Parties, and (y) pay the professional fees and expenses of the Credit Parties, the Lenders, the Collateral Agent and the Creditor Advisors (as defined in the Restructuring Support Agreement).

(cc) Change in Nature of Business. The Company shall not, nor shall the Company permit any of the Subsidiaries to, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by the Credit Parties on the Closing Date or any business reasonably related, complementary, synergistic or ancillary thereto or reasonable extensions thereof.

(dd) Changes to Certain Documents. The Company shall not, nor shall it permit any of the Subsidiaries to amend, modify or change any terms of any agreement, instrument or other document (i) described in Schedule 4.20(y) or (ii) evidencing, entered into in connection with or relating to the Permitted Secured Debt or Permitted Subordinated Debt, in each case in a manner that could be, taken as a whole, materially adverse to the interests of Lender, without its consent.

(ee) Liquidity. The Credit Parties hereby covenant and agree that, unless the Collateral Agent provides its prior written consent, the Credit Parties collectively will have, at all times while any Debenture is outstanding, not less than $1,000,000 in unencumbered cash in the accounts of the Credit Parties collectively or the Issuer and such funds shall constitute an "asset" of the Company for purposes of IFRS, provided, however, that such unencumbered cash may fall below $1,000,000 so long as such amount is consistent with the Interim Financing Budget and the Restructuring Support Agreement is then in effect.

(ff) Post-Closing Covenants. Except as otherwise agreed by the Collateral Agent in its sole discretion, the Company shall, and shall cause each of the other Credit Parties to take each of the actions set forth on Schedule 4.20(ff) within the time periods set forth therein (or such longer time periods as determined by Collateral Agent in its sole discretion).

(gg) Limitation on Activities of the Company. The Company will not engage at any time in any business or business activity other than (i) ownership of the Equity Interests in the Borrower and the Subsidiaries, together with activities related thereto, (ii) performance of its obligations under and in connection with the Transaction Agreements and the other agreements contemplated by the Transactions and the incurrence and performance of Obligations permitted to be incurred by it under Section 4.20(w), (iii) issuance of Equity Interests and activities in connection therewith and related thereto, (iv) capital markets activities, (v) activities expressly permitted or required hereunder and (vi) as otherwise required by law.

(hh) U.S. Securities. The Company shall provide written notice to Lenders at least thirty (30) days prior to the registration of any securities with the U.S. Securities and Exchange Commission and any other securities commission other than the CSE.

(ii) Interim Budget; Restructuring Support Agreement. Without limiting Section 4.20(bb), the Credit Parties shall comply with the Interim Financing Budget (subject to the Permitted Variance) and the Restructuring Support Agreement.

ARTICLE 5
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE LENDER

The Lender represents and warrants as of the date hereof, and covenants to the Company, and acknowledges that the Company is relying upon the following representations, warranties and covenants in connection with the transactions contemplated hereby:

5.1 ENTITY POWER

The Lender has the power and capacity to enter into, and to perform its obligations under each of the Transaction Agreements.

5.2 AUTHORIZATION

Each of the Transaction Agreements to be executed and delivered by the Lender has been duly authorized, executed and delivered by the Lender and constitutes a valid and binding obligation of the Lender enforceable against it in accordance with its terms subject, however, to the customary limitations with respect to Debtor Relief Laws and with respect to the availability of equitable remedies.

5.3 NO CONTRAVENTION

Neither the entering into nor the delivery of the Transaction Agreements to be executed and delivered by the Lender nor the performance by the Lender of any of its obligations under the Transaction Agreements will contravene, breach or result in any default under, or result in the creation of any lien or encumbrance under, or relieve any Person from its obligations under,

(a) the organizational documents of the Lender;

(b) any mortgage, lease, contract, other legally binding agreement, instrument, licence or permit, to which such Lender is a party or by which it may be bound, or

(c) any applicable Law, statute, regulation, rule, order, decree, judgment, injunction or other restriction of any Governmental Body to which the Lender is subject.

5.4 SECURITIES MATTERS

(a) The Lender is purchasing the Debentures and Warrants as principal for its own account, not for the benefit of any other Person, for investment only and not with a view to the resale or distribution of any part thereof.

(b) The Lender is an "accredited investor" as defined in NI 45-106, and has so indicated by checking the box opposite the appropriate category on Schedule "A" attached hereto which so describes it and acknowledges that by signing this Agreement it is certifying that the statements made by checking the appropriate accredited investor category are true.

(c) The Lender is a U.S. Accredited Investor and is acquiring the Debentures and Warrants for its own account, and for investment and not with a view to any resale, distribution or other disposition of the Debentures, Warrants, or Shares in violation of United States federal or state securities Laws and the Lender has so indicated by checking the appropriate category on Schedule "B" attached hereto which so describes it and acknowledges that by signing this Agreement it is certifying that the statements made by checking the appropriate U.S. Accredited Investor category are true. Notwithstanding the foregoing, if the Lender is not a U.S. Person, is not acting for the account of a U.S. Person or a person in the United States, and was not in the United States at the time the Lender received any offer of Debentures or Warrants or at the time it executed this Agreement, the foregoing sentence shall not apply and instead, such Lender hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with the transactions contemplated by this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Debentures and Warrants, (ii) any foreign exchange restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained, and that its purchase of the Debentures and Warrants will not violate any applicable securities or other laws of the Lender's jurisdiction.

(d) In the case of a subscription for the Debentures as trustee or agent, the Lender is the duly authorized trustee or agent of the disclosed beneficial purchaser with due and proper power and authority to execute and deliver, on behalf of each such beneficial purchaser, the Transaction Agreements, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such beneficial purchaser were the purchaser and the Lender's actions as trustee or agent are in compliance with applicable Law and the Lender and each beneficial purchaser acknowledges that the Company is required by Law to disclose to certain regulatory authorities the identity of each beneficial purchaser of Debentures for whom it may be acting.

(e) The Lender acknowledges that none of the Debentures, the Warrants, and the Warrant Shares issuable upon exercise of the Warrants, have been or will be registered under the U.S. Securities Act or any applicable state securities laws and the contemplated sale to, or for the account or benefit of, persons in the United States and U.S. Persons is being made in reliance on a private placement exemption to U.S. Accredited Investors provided under Rule 506(b) of Regulation D and similar exemptions under applicable state securities laws. Accordingly, the Debenture and Warrants, and the Warrant Shares issuable upon exercise of the Warrants, will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act, and therefore may not be offered or sold by it, directly or indirectly, in the United States without registration under United States securities laws, except in limited circumstances, and the Lender understands that the Debentures, Warrants and Warrant Shares will each contain a legend in respect of such restrictions.

(f) The Lender acknowledges that if it (or any beneficial purchaser on whose behalf it is acting) decides to offer, sell, pledge or otherwise transfer any of the Debentures, Warrants or Warrant Shares, such securities may be offered, sold, pledged, or otherwise transferred only (i) to the Company, (ii) outside the United States in compliance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations, or (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by (A) Rule 144 thereunder, if available, or (B) Rule 144A thereunder, if available, and, in each case, in compliance with any applicable state securities laws, or (iv) pursuant to another exemption from registration under the U.S. Securities Act and applicable state securities laws, provided that, in the case of (iii)(A) and (iv) above, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company is provided to the effect that such transfer does not require registration under the U.S. Securities Act or any applicable state securities laws, and covenants that it (and any beneficial purchaser for whom it is acting) will not offer or sell the Debenture, the Warrants, Exchange Warrants or any Warrant Shares, to, or for the account or benefit of, any person in the United States or a U.S. Person except as set out above.

(g) The Lender acknowledges that the Company has determined that it ceased to qualify as a Foreign Private Issuer as of June 28, 2019 (being the last business day of the second fiscal quarter of the fiscal year ended December 31, 2019), and ceased to be eligible to rely on the rules and forms available to Foreign Private Issuers on December 31, 2019. As such, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, the certificates representing the Debentures and Warrants, and the Warrant Shares, and all certificates issued in exchange or in substitution thereof, shall bear the following legend (in addition to the legends provided in Article 9):

> "THE SECURITIES REPRESENTED HEREBY **[FOR WARRANTS ADD: AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF]** HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE " **U.S. SECURITIES ACT**") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. **[FOR DEBENTURES, WARRANTS OR WARRANT SHARES ISSUED IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S, ADD: FURTHERMORE, THE SECURITIES REPRESENTED BY THIS CERTIFICATE CANNOT BE THE SUBJECT OF HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE CONDUCTED IN COMPLIANCE WITH THE U.S. SECURITIES ACT.]**
>
> **[FOR WARRANT SHARES ADD: THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.]**"

provided, that if the Warrant Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, and the Warrant Shares were acquired when the Company qualified as a Foreign Private Issuer, the legend set forth above may be removed by providing a declaration to the registrar and transfer agent of the Company, as set forth in Schedule "C" attached hereto (or in such other form as the Company may prescribe from time to time); and provided, further, that, if the Warrant Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

(h) The Lender acknowledges that:

(i) the Company may not have re-qualified as a Foreign Private Issuer at the time of exercise of any Warrants;

(ii) Rule 905 of Regulation S provides in substance that any "restricted securities" that are equity securities of a U.S. domestic issuer (including an issuer that, like the Company, no longer qualifies as a Foreign Private Issuer) will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S, and, as interpreted by Staff at the SEC, Rule 905 applies to equity securities that, at the time of issuance, were those of a U.S. domestic issuer; and

(iii) by operation of Rule 905 of Regulation S, any Warrant Shares that are resold outside the United States in compliance with the requirements of Rule 901 or Rule 904 of Regulation S will continue to be "restricted securities" and will continue to be subject to the requirement that they be represented by a physical certificate or other instrument imprinted with a U.S. restrictive legend.

(i) The Lender acknowledges that until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, the certificate representing the Warrants, and all certificates issued in exchange or in substitution thereof, shall bear the following legends (in addition to the legends provided in Section 5.4(g) and Article 9):

"THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT."

(j) The delivery of this Agreement, the acceptance of it by the Company and the issuance of the Debentures (or any underlying securities issuable upon exercise thereof), to the Lender complies with all applicable Laws of the Lender's domicile and all other applicable Laws and will not cause the Company to become subject to or comply with any disclosure, prospectus or reporting requirements under any such applicable Laws.

(k) The Lender acknowledges and agrees that it has been notified by the Company (i) of the delivery to the OSC of personal information pertaining to the Lender including, without limitation, the full name, address and telephone number of the Lender, the number and type of securities purchased and the total purchase price paid in respect of the Debentures and Warrants, (ii) that this information is being collected indirectly by the OSC under the authority granted to it in securities Laws, (iii) that this information is being collected for the purposes of the administration and enforcement of the securities Laws of Ontario, and (iv) that the title, business address and business telephone number of the public official in Ontario who can answer questions about the OSC's indirect collection of the information is the Administrative Assistant to the Director of Corporate Finance, the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-8086, Facsimile: (416) 593-8252, and (v) the Lender hereby authorizes the indirect collection of the information by the OSC.

(l) The Lender acknowledges and agrees that:

(i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Debentures, Warrants, Exchange Warrants, Shares or Warrants Shares;

(ii) there are risks associated with the purchase of the Debentures and Warrants, and each Lender has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and it is able to bear the economic risk of loss of its investment;

(iii) the Debentures and Warrants are being offered for sale only on a "private placement" basis and that the sale and delivery of the Debentures and Warrants are conditional upon such sale being exempt from the requirements as to the filing of a prospectus or delivery of an offering memorandum or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivering an offering memorandum and, as a consequence (i) it is restricted from using most of the civil remedies available under applicable securities laws; (ii) it may not receive information that would otherwise be required to be provided to it under applicable securities laws; and (iii) the Company is relieved from certain obligations that would otherwise apply under applicable securities laws;

(iv) the Company has advised the Lender, that the Company is relying on an exemption from the requirements to provide the Lender with a prospectus and to sell securities through a person or company registered to sell securities under the *Securities Act* (Ontario) and other applicable securities laws and, as a consequence of acquiring the Debentures and Warrants pursuant to this exemption, certain protections, rights and remedies provided by the *Securities Act* (Ontario) and other applicable securities laws, including statutory rights of rescission or damages, will not be available to them;

(v) the Transaction Agreements require it to provide certain Personal Information to the Company. Such information is being collected and will be used by the Company for the purposes of completing the proposed issuance and sale of the Debentures and Warrants, which includes, without limitation, determining the Lender's eligibility to purchase such securities under applicable Laws and preparing and registering certificates representing the Debentures and Warrants, and the underlying securities issuable upon exercise thereof. The Lender agrees that its Personal Information may be disclosed by the Company to: (a) applicable securities regulatory authorities, (b) the Company's registrar and transfer agent, if any, and (c) any of the other parties involved in the proposed transaction, including legal counsel, and may be included in record books in connection with the transaction. In addition, the Lender acknowledges, agrees and consents to the collection, use and disclosure of Personal Information by the Company for corporate finance and shareholder communication purposes or such other purposes as are necessary to the Company's Business; and

(vi) the Company is currently subject to a cease trade order (the "**Cease Trade Order**") issued by the Ontario Securities Commission on June 22, 2020 for failure to file certain financial statements and related periodic disclosure. As a result of the Cease Trade Order, pursuant to Multilateral Instrument 11-103 – Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions, a person or company (including the Lender) must not trade in or purchase a security of the Company (or convert into a security of the Company) except in accordance with the conditions that are contained in the Cease Trade Order, for so long as the Cease Trade Order remains in effect..

5.5 APPLICATION OF PROCEEDS.

The Lenders hereby agree that all payments received from the Issuer or any Credit Party under the Debentures shall be applied in the following order of priority (the "Application of Payments Provision"):

FIRST, to the payment of costs and expenses of the Collateral Agent in connection with its exercise of remedies and enforcing or collecting the Obligations;

SECOND, to the payment of costs and expenses of the Lenders in connection with their exercise of remedies and enforcing or collecting the Obligations, ratably in respect of the principal amount of Debentures then held by each such Lender;

THIRD, to the payment of accrued but unpaid interest with respect to the Debentures (excluding interest which has been added to the principal amount thereof, in accordance with its terms), ratably in respect of the principal amount of Debentures then held by the Lenders; and

FOURTH, to the payment of the outstanding principal amount of the Debentures then outstanding, ratably in respect of the principal amount of Debentures then held the Lenders.

The Issuer agrees to make payments under the Debentures in accordance with the foregoing Application of Payments Provision. To the extent any Lender receives any payment under the Debentures which does not comply with the foregoing Application of Payments Provision, such Lender shall segregate and hold such payment in trust for the benefit of, and immediately paid over to, the other Lenders, to be applied in accordance with the Application of Proceeds Provision, in the same form as received, with any necessary endorsements. Each Lender hereby authorizes the foregoing payment provisions, and such authorization is irrevocable and coupled with an interest.

ARTICLE 6
EVENTS OF DEFAULT

6.1 EVENT OF DEFAULT

Except for defaults that exist on or prior to the date hereof (which as of the initial Tranche 4 Funding Date are not waived but are subject to the agreement of the Lender to forebear in accordance with the Restructuring Support Agreement) or occur in the performance of obligations under the Restructuring Support Agreement, each of the following shall constitute an "**Event of Default**" under this Agreement.

(a) Nonpayment of Loans and Other Liabilities. Default in the payment (i) when due of principal of the Debenture of any interest or any fees or any other amounts payable by Company to Lender hereunder or in the payment of any other Liabilities due from Company to Lender, in each case within three (3) Business Days after such amount becomes due and payable.

(b) Granting of Security. Except as permitted by the Transaction Agreements, granting of any security interest (other than Permitted Liens) not subordinate to the security interest of the Lender in the assets and property of the Company and its subsidiaries other than the security to be provided pursuant to the Transaction Agreements.

(c) Nonpayment of Other Indebtedness. Default (after giving effect to any notice and cure periods) with respect to any Indebtedness of the Company or any of its subsidiaries in excess of $500,000 which has not been effectively cured or waived and the obligee of such indebtedness has the right to accelerate the maturity of the indebtedness; or default with respect to any other obligations or Indebtedness of the Company or any of its subsidiaries which could have a Material Adverse Effect and which has not been effectively cured or waived; or acceleration of the payment of any Indebtedness subordinate to the Obligations, and the obligee with respect thereto has the right to accelerate the maturity of such other Indebtedness, in each case under this clause (c), if such default remains uncured for ten (10) Business Days.

(d) Other Material Obligations. Default (after giving effect to any notice and cure periods) in the payment when due, or in the performance or observance of, any material obligation of, or condition agreed to by, the Company with respect to any material purchase or lease of goods or services in excess of $500,000 or which could have a Material Adverse Effect (except only to the extent that Company is contesting the existence of any such default in good faith and by appropriate proceedings), in each case under this clause (d), if such default remains uncured for ten (10) Business Days.

(e) Bankruptcy or Insolvency. Company or any of its subsidiaries files or has filed against it any action under any Debtor Relief Law, or Company or any of its subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for forty five (45) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for forty five (45) calendar days, or an order for relief is entered in any such proceeding.

(f) Representations and Warranties. Any representation or warranty made by Company herein or in the Restructuring Support Agreement is breached or was false or misleading in any material respect when made, or any schedule, certificate, financial statement, report, notice, or other writing furnished to Lender by Company or any Guarantor is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.

(g) Transaction Agreements. (i) Company shall fail to comply with or to perform in any material respect any provision of any of the Transaction Agreements (other than the Restructuring Support Agreement) to which it is a party and such failure shall continue beyond any applicable grace period; or any of the Transaction Agreements shall fail to remain in full force and effect except as expressly provided therein, or any action by any Person other than a Credit Party shall be taken to assert the unenforceability or invalidity of any of the Transaction Agreements, in each case under this clause (g)(i), if such default remains uncured for ten (10) Business Days; or (ii) any action by a Credit Party shall be taken to assert the unenforceability or invalidity of any of the Transaction Agreements.

(h) Intentionally Omitted.

(i) Judgments. There shall be entered against Company one or more judgments or decrees in excess of $500,000 in the aggregate at any one time outstanding for Company or could result in a Material Adverse Effect, excluding those judgments or decrees (i) that shall have been stayed, vacated or bonded within thirty (30) days after such judgment or decree has been entered, (ii) that shall have been outstanding less than thirty (30) days from the entry thereof or (iii) for and to the extent to which Company is insured and with respect to which the insurer specifically has assumed responsibility in writing (and without any reservation of rights) or (iv) for and to the extent to which Company is otherwise indemnified if the terms of such indemnification are reasonably satisfactory to Lender.

(j) Notice of Tax Lien, Levy, Seizure or Attachment. A notice of lien, levy or assessment is filed of record with respect to all or any portion of Company's assets by the United States or Canada, or any department, agency or instrumentality thereof, or by any state, county, municipal or other governmental agency, including, without limitation, the IRS or the PBGC, or any taxes or debts owing to any of the foregoing becomes a lien or encumbrance upon all or any portion of Company's assets, or the making or any attempt by any Person to make any levy, seizure or attachment upon any of the assets of the Company or any of its subsidiaries (except only to the extent that Company is contesting such notice in good faith and by appropriate proceedings), in each case under this clause (j), if such default remains uncured for ten (10) Business Days.

(k) Inability to Conduct Business and De-Listing. If (i) Company or any of its subsidiaries is enjoined, restrained, or in any way prevented by the order of any court or any administrative or regulatory agency from conducting all or any part of its business affairs or loses or has its licence revoked, or (ii) if hereafter the Common Shares of the Company cease to be traded on the Canadian Securities Exchange or such other exchange as the Lender may consent to in writing from time to time, or (iii) if, hereafter, any cease trade order is obtained from any Governmental Body causing the Company to de-list or ordering the cessation of trading of the Common Shares or precluding the Company from completing an offering of Common Shares (or precluding any person from completing a secondary offering of Common Shares of the Company) and listing such Common Shares on the Canadian Securities Exchange; provided, however, that the foregoing is not applicable to the Cease Trade Order or any other cease trade order in place prior to or on the date of this Agreement and it shall not be an Event of Default pursuant to this Section 6.1(k) if the foregoing results from a change in Law or applicable stock exchange rules and policies.

(l) Dissolution of Company or any Subsidiary. Company or any Subsidiary involuntarily dissolves or is involuntarily dissolved, or involuntarily terminates its existence or involuntarily has its existence terminated.

(m) Change of Control. Other than as contemplated by the Restructuring Support Agreement, the occurrence of any Change of Control Transaction unless Lender shall have consented to such Change of Control Transaction in writing (which consent shall be made or withheld in Lender's sole discretion).

(n) Material Adverse Change. A Material Adverse Effect exists or occurs and is continuing.

(o) Pension Plans. Institution of any steps by any Person to terminate a Pension Plan or a Canadian Pension Plan if as a result of such termination any Credit Party would reasonably be required to make a contribution to such Pension Plan, or would reasonably incur a liability or obligation to such Pension Plan, in excess of $250,000; (b) a contribution failure occurs with respect to any Pension Plan sufficient to give rise to a Lien under Section 303(k) ERISA or Section 430(k) of the U.S. Tax Code on the assets of any Credit Party or any member of the Controlled Group; (c) a failure to meet the contribution or other assessment requirements under applicable Canadian federal or provincial Laws with respect to any Canadian Pension Plan; or (d) there shall occur any withdrawal or partial withdrawal from a Multiemployer Pension Plan and the withdrawal liability (without unaccrued interest) to Multiemployer Pension Plans as a result of such withdrawal (including any outstanding withdrawal liability that any Credit Party or any member of the Controlled Group have incurred on the date of such withdrawal) and as to which any Credit Party is liable for under ERISA exceeds $250,000.

(p) Restructuring Support Agreement. The Restructuring Support Agreement has been terminated in accordance with its terms, other than as a result of the plan of arrangement contemplate therein.

6.2 ACCELERATION

Subject to the terms and conditions of, and forbearance contained in, the Restructuring Support Agreement (while it remains in effect), upon the occurrence and during the continuance of an Event of Default specified in Section 6.1, all outstanding amounts of principal owing under the Debenture and all accrued and unpaid interest on the Debenture, and all other amounts owed to Lender under this Agreement and the Transaction Agreements, shall thereupon become immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived, anything in this Agreement or the Transaction Agreements to the contrary notwithstanding. In addition, upon and during the continuation of an Event of Default, the interest rate under the Debenture shall increase by three percent (3%) per annum.

6.3 RIGHTS AND REMEDIES GENERALLY

(a) Subject to the terms and conditions of, and forbearance contained in, the Restructuring Support Agreement (while it remains in effect), if any Event of Default shall occur and be continuing then Lender shall have all the rights of a party under the Uniform Commercial Code (and all equivalents thereof) or the Personal Property Security Act of any jurisdiction in Canada (and all equivalents thereof), shall have all rights now or hereafter existing under all other applicable laws, and, subject to any mandatory requirements of applicable law then in effect, shall have all the rights set forth in this Agreement the Transaction Agreements or in any other agreement or document between the parties hereto. No enumeration of rights in this Section or anywhere else in this Agreement or in any other agreement or document between the parties hereto shall be construed to in any way limit the rights or remedies of Lender. If any Event of Default described in Section 6.1(e) shall occur, the Obligations shall become immediately and automatically due and payable without presentment, demand, protest or notice of any kind.

(b) In addition to any rights and remedies of the Lender provided by Law, upon the occurrence and during the continuance of any Event of Default, Lender and its Affiliates (and the Collateral Agent, in respect of any unpaid fees, costs and expenses payable under the Security Documents) is authorized at any time and from time to time, without prior notice to the Company, any such notice being waived by the Company (on its own behalf and on behalf of each Credit Party) to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other Obligations at any time owing by, Lender and its Affiliates or the Collateral Agent to or for the credit or the account of the respective Credit Parties against any and all Obligations owing to Lender and its Affiliates or the Collateral Agent hereunder or under any other Transaction Agreement, now or hereafter existing, irrespective of whether or not the Collateral Agent or such Lender or Affiliate shall have made demand under this Agreement or any other Transaction Agreement and although such Obligations may be contingent or unmatured or denominated in a currency different from that of the applicable deposit or Indebtedness. Lender agrees promptly to notify the Company and the Collateral Agent after any such set off and application made by Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Collateral Agent and Lender under this Section 6.3(b) are in addition to other rights and remedies (including other rights of setoff) that the Collateral Agent and Lender may have.

ARTICLE 7
SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS, INDEMNITIES AND AGREEMENTS

Subject to the terms and conditions of this Article 7, all representations and warranties, indemnities and agreements of the parties hereto contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement, shall survive the date hereof and shall continue until the Obligations are paid in full, at which time they shall expire and cease to be of any further force or effect, provided, however, that:

(a) a claim for any breach of any of the representations and warranties contained in this Agreement involving fraud or fraudulent misrepresentation (as determined by a court of competent jurisdiction) or involving a representation and warranty which the Company knew to be false or incomplete shall survive and continue in full force and effect without limitation of time;

(b) without limiting subsection (a) above, the covenants set forth in Section 4.20(h), 4.20(j), 4.20(l), 4.20(m), 4.20(n), 4.20(o), 4.20(p), 4.20(q), 4.20(aa) and 4.20(cc) shall expire on the date the Lender (including its successors and assigns) owns less than five percent (5%) of the Shares of the Company.

The parties hereto hereby acknowledge that if notice regarding any matter contemplated in this Article 7 is given by any party hereto, acting in good faith, to the others of them within the relevant time period specified in this Article 7, and if before such matter has been fully dealt with pursuant to this Agreement, the relevant time period would expire, the time period in question shall be deemed to be extended (with respect to such matter only) until such matter has been fully dealt with pursuant to this Agreement.

ARTICLE 8
INDEMNIFICATION

8.1 INDEMNIFICATION BY THE COMPANY

(a) To the fullest extent permitted by law, in consideration of the execution and delivery of this Agreement by the Lender and the agreement to purchase the Debentures and Warrants, the Credit Parties hereby jointly and severally agree to indemnify, exonerate and hold the Lender and each of its directors, officers, shareholders, employees, partners, consultants, agents and their respective heirs, successors and assigns (collectively, the "**Indemnified Parties**") free and harmless from and against any and all actions, causes of action, suits, losses, costs, damages, expenses and liabilities, including legal fees (collectively, a "**Loss**"), incurred by the Lender as a result of, or arising out of, or relating to (i) any tender offer, merger, purchase of equity interests, purchase of assets or other similar transaction financed or proposed to be financed in whole or in part, directly or indirectly, with the Proceeds, (ii) the use, handling, release, emission, discharge, transportation, storage, treatment or disposal of any Hazardous Substance at any property owned or leased by any Credit Party, (iii) any violation of any Environmental Laws with respect to conditions at any property owned or leased by any Credit Party or the operations conducted thereon, (iv) the investigation, cleanup or remediation of offsite locations at which any Credit Party or their respective predecessors are alleged to have directly or indirectly disposed of Hazardous Substances or (v) the execution, delivery, performance or enforcement of any Transaction Agreement by the Lender, except to the extent any such Loss results from the Indemnified Party's own gross negligence or willful misconduct (the "**Indemnified Liabilities**"). If and to the extent that the foregoing undertaking may be unenforceable for any reason, Credit Party hereby jointly and severally agree to make the maximum contribution to the payment and satisfaction of each Loss which is permissible under applicable law. All Obligations provided for in this Section 8.1 shall survive repayment of the Obligations, assignment of the Debentures, any foreclosure under, or any modification, release or discharge of, any or all of the Security Documents and termination of this Agreement.

(b) For purposes of this Section 8.1, the determination of any Loss for indemnification hereunder shall take into account the net effect of each of the following on the Lender as it relates to each particular indemnity payment, if and as applicable: (i) the decrease in value, if any from such indemnification claim (x) in the Debentures and (y) the Warrant Shares; (ii) insurance proceeds which the Lender received in respect of such matter; and (iii) indemnity payments which the Lender received from parties other than the Credit Parties hereunder in respect of such matter

8.2 PAYMENTS UNDER THE DEBENTURE

Any payment or distribution by the Issuer to the Lender under the Debenture for principal or interest, shall not be subject to any deduction, withholding or offset for any reason whatsoever except to the extent required by Law, and the Issuer represents that to its best knowledge no deduction, withholding or offset is so required for any tax or any other reason. Notwithstanding any term or provision of any Transaction Agreement to the contrary, if it shall be determined that any payment (other than a payment dealt with under Section 8.1(a)) by the Company or the Issuer to or for the benefit of the Lender pursuant to the terms of any Transaction Agreement, whether for principal, interest or otherwise and whether paid or payable or distributed or distributable, actual or deemed (a "**Payment**") would be or is subject to any deduction, withholding or offset due to any duty or tax (such duty or tax, together with any interest and/or penalties related thereto, hereinafter collectively referred to as the "**Payment Tax**"), then the Company or the Issuer, as the case may be, shall, in addition to all sums otherwise payable, pay to the Lender an additional payment in cash (a "**Gross-Up Payment**") in an amount such that after all such Payment Taxes (whether by deduction, withholding, offset or payment), including any interest or penalties with respect to such taxes or any Payment Taxes (and any interest and penalties imposed with respect thereto) imposed upon any Gross-Up Payment, Holder actually receives an amount of Gross-Up Payment equal to the Payment Tax imposed upon the Payment (i.e., the Lender receives a net amount equal to the Payment). The Company or the Issuer, as the case may be, shall timely remit such Payment Tax to the applicable governmental authority and shall provide evidence of such payment to Lender Holder within thirty (30) days of making such payment.

8.3 NOTICE OF CLAIM

If the Lender become aware of a Loss in respect of which indemnification is provided for pursuant to Section 8.1, the Lender shall give written notice of the Loss to the Company within 60 days of becoming aware of such Loss. Such notice shall specify whether the Loss arises as a result of a claim by a Person against the Lender or whether the Claim does not so arise, and shall also specify with reasonable particularity (to the extent that the information is available): (a) the factual basis for the claim; and (b) the amount of the Loss, if known.

8.4 THIRD PARTY CLAIMS

If any legal proceedings shall be instituted or any claim is asserted by any non-affiliated third party in respect of which any of the Indemnified Parties may be entitled to indemnity hereunder, any Lender shall give the Company written notice in accordance with Section 8.2 and Article 18. The Lender shall have the right, at its option and expense, to participate in the defence of such a proceeding or claim and, at its option, to control the defence, negotiation or settlement thereof.

ARTICLE 9
LEGENDS

In addition to any legend required hereunder, the warrant certificate in respect of the Warrants to be issued hereunder (or any Warrant Shares or other securities issued upon exercise thereof) shall be stamped or imprinted with legends in substantially the following form:

> "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [FOUR MONTHS PLUS ONE DAY FROM THE CLOSING DATE]."

ARTICLE 10
FURTHER ASSURANCES

Each of the parties hereto shall promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such further acts, documents and things as the other parties hereto may require, acting reasonably, from time to time for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to the full extent the provisions of this Agreement.

ARTICLE 11
SEVERABILITY

If any provision hereof is illegal, invalid or unenforceable, such provision shall be deemed to be severed and deleted from this Agreement and such illegality, invalidity or unenforceability shall not in any manner affect the validity or enforceability of the remainder hereof.

ARTICLE 12
WAIVER

A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the party to be bound by the waiver. No waiver shall be inferred from or implied by any act or delay in acting by a party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

ARTICLE 13
COUNTERPARTS AND FACSIMILE

This Agreement may be executed originally, by facsimile or by e-mail transmission of an Adobe Acrobat file or similar means of recorded electronic transmission and in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument and shall be valid, binding and effective as if originally signed as one document.

ARTICLE 14
GOVERNING LAW

THIS AGREEMENT AND EACH OTHER TRANSACTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

ARTICLE 15
FORUM; CONSENT TO JURISDICTION

ANY LEGAL ACTION OR PROCEEDING ARISING UNDER ANY TRANSACTION AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY TRANSACTION AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH CREDIT PARTY, THE COLLATERAL AGENT AND THE LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND AGREES THAT IT WILL NOT COMMENCE OR SUPPORT ANY SUCH ACTION OR PROCEEDING IN ANOTHER JURISDICTION. EACH CREDIT PARTY, THE COLLATERAL AGENT AND THE LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY TRANSACTION AGREEMENT OR OTHER DOCUMENT RELATED THERETO. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY TRANSACTION AGREEMENT IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN TELECOPIER OR OTHER ELECTRONIC TRANSMISSION) IN Article 18. NOTHING IN THIS AGREEMENT OR ANY OTHER TRANSACTION AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER TRANSACTION AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER TRANSACTION AGREEMENT SHALL AFFECT ANY RIGHT THAT THE COLLATERAL AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION TO ENFORCE ANY AWARD OR JUDGMENT OR EXERCISE ANY RIGHT UNDER THE SECURITY DOCUMENTS AGAINST ANY COLLATERAL OR ANY OTHER PROPERTY OF ANY CREDIT PARTY IN ANY OTHER FORUM IN ANY JURISDICTION IN WHICH COLLATERAL IS LOCATED.

ARTICLE 16
WAIVER OF JURY TRIAL

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY TRANSACTION AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY TRANSACTION AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS Article 16 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

ARTICLE 17
FEES AND EXPENSES

The Company shall promptly pay to Lender and the Collateral Agent any and all of its reasonable out-of-pocket costs, charges, fees, taxes and other expenses incurred by Lender or the Collateral Agent, as applicable (including reasonable attorneys' fees and costs) in connection with (i) the preparation, documentation, negotiation and execution of the Transaction Agreements, (ii) the amendment or enforcement of any Transaction Agreement or any of Lender's rights or remedies with respect thereto, and/or (iii) any litigation, contest, dispute, suit or proceeding to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by Lender, the Company, any of its subsidiaries or any other Person) in any way or respect relating to the Transaction Agreements.

ARTICLE 18
NOTICE

All notices, requests or other communications required or permitted by the terms hereof to be given by the parties hereto to the others of them shall be given by personal delivery, facsimile transmission, electronic mail or by mail delivered or sent to the others of them as follows:

(a) To the Company:

iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, NY 10170
USA

Attention:
E-mail:

With a copy to (which shall not constitute notice):

McMillan LLP
Suite 1500, 1055 West Georgia Street
Vancouver, BC V6E 4N7
Canada

Attention: James Munro
Email: james.munro@mcmillan.ca

(b) To the Gotham Lenders or the Collateral Agent:

c/o Gotham Green Partners, LLC
1437 4th Street, Suite 200,
Santa Monica, CA
90401

Attention:
Email:

With a copy to (which shall not constitute notice):

Honigman LLP
2290 First National Building
660 Woodward Avenue
Detroit, MI 48226-3506
USA

Attention: Michael D. DuBay
E-mail: mdubay@honigman.com

– and –

SkyLaw Professional Corporation
Suite 204, 3 Bridgeman Avenue
Toronto, ON M5R 3V4
Canada

Attention:	Kevin West
Email:	kevin.west@skylaw.ca

(c) To the Lenders generally, to the Gotham Lenders, and to the following:

Attention:
Email:

or at such other address or facsimile transmission number as may be given by any of them to the others in writing from time to time. All such notices, requests or other communications shall be deemed to have been received when (a) delivered the next business day after sending by overnight courier or transmitted by electronic mail or facsimile, or (b) if mailed, five (5) Business Days after the date of mailing thereof.

ARTICLE 19
ASSIGNMENT

No party may assign its rights or benefits under this Agreement except that the Lender may assign any or all Debentures and Warrants from time to time and their rights and benefits or any of their obligations under this Agreement to (i) the Company, in accordance with the Exchange Warrants, (ii) any Person controlled or managed by Gotham Green Partners, LLC or any of its Affiliates, (iii) except in the case of (ii) above, any of its Affiliates or members (without relieving the assigning party of its obligations); or (ii) any Person or Persons who may purchase all or part of their Debentures, subject to compliance with applicable securities laws and execution of an agreement to be bound by the Intercreditor Agreement.

ARTICLE 20
SUCCESSORS AND ASSIGNS

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

ARTICLE 21
ANNOUNCEMENT

Unless otherwise required by applicable law or the rules of any exchange on which a party lists its securities (based upon the reasonable advice of counsel and after prior review and comment with the other party, not to be unreasonably withhold or delayed), neither party shall make any public announcements in respect of this Agreement, the Transaction, or otherwise communicate with any news media without the prior written consent of the other party regarding the transactions contemplated herein, and the parties shall cooperate in good faith as to the timing and contents of any such announcement.

ARTICLE 22
USA PATRIOT ACT

The Lender hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Act, it may be required to obtain, verify and record information that identifies each Credit Party, which information includes the name, address and tax identification number of such Credit Party and other information regarding such Credit Party that will allow such Lender or the Collateral Agent, as applicable, to identify such Credit Party in accordance with the USA PATRIOT Act. This notice is given in accordance with the requirements of the USA PATRIOT Act and is effective as to the Lenders and the Collateral Agent.

ARTICLE 23
NO ADVISORY OR FIDUCIARY RESPONSIBILITY

(a) In connection with all aspects of each transaction contemplated hereby, each Credit Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that (i) the financing provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Transaction Agreement) are an arm's-length commercial transaction between the Company and its Affiliates, on the one hand, and the Lender and Collateral Agent, on the other hand, and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Transaction Agreements (including any amendment, waiver or other modification hereof or thereof), (ii) in connection with the process leading to such transaction, the Lender and the Collateral Agent each is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Company or any of its Affiliates, stockholders, creditors or employees or any other Person, (iii) neither the Lender nor the Collateral Agent has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Company with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Transaction Agreement (irrespective of whether the Lender or the Collateral Agent has advised or is currently advising the Company or any of its Affiliates on other matters) and neither the Lender nor the Collateral Agent has any obligation to the Company or any of its Affiliates with respect to the financing transactions contemplated hereby except those obligations expressly set forth herein and in the other Transaction Agreements, (iv) the Lender and the Collateral Agent and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Company and its Affiliates, and neither the Lender nor the Collateral Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship and (v) the Lender and the Collateral Agent have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Transaction Agreement) and the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate. Each Credit Party hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Lender or the Collateral Agent with respect to any breach or alleged breach of agency or fiduciary duty under applicable law relating to agency and fiduciary obligations.

(b) Each Credit Party acknowledges and agrees that the Lender, the Collateral Agent and any of their respective Affiliates may lend money to, invest in, and generally engage in any kind of business with, any of the Company, any of its subsidiaries, any of their respective Affiliates or any other person or entity that may do business with or own securities of any of the foregoing, all as if the Lender, the Collateral Agent and any of their respective Affiliates were not a Lender, Collateral Agent or an Affiliate thereof (or an agent or any other person with any similar role under the Facilities) and without any duty to account therefor to any other Lender, the Company, any of its subsidiaries or any Affiliate of the foregoing. The Lender may have directly or indirectly acquired certain equity interests (including warrants) in the Company or any of its Affiliates or may have directly or indirectly extended credit on a subordinated basis to the Company or any of its Affiliates. Each party hereto, on its behalf and on behalf of its Affiliates, acknowledges and waives the potential conflict of interest resulting from any such Lender, Collateral Agent or any of their respective Affiliates thereof holding disproportionate interests in the Debentures and Warrants or otherwise acting as arranger or agent thereunder and such Lender, Collateral Agent or any of their respective Affiliates directly or indirectly holding equity interests in or subordinated debt issued by the Company or any of its Affiliates.

ARTICLE 24
ELECTRONIC TRANSMISSION

The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

ARTICLE 25
THE COLLATERAL AGENT

25.1 APPOINTMENT AND AUTHORIZATION.

(a) Lender hereby irrevocably appoints Gotham Green Admin 1, LLC to act on its behalf as the Collateral Agent hereunder and under the other Transaction Agreements, designates and authorizes the Collateral Agent to take such action on its behalf under the provisions of this Agreement and each other Transaction Agreement and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Transaction Agreement, together with such powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Lender hereby expressly authorizes the Collateral Agent to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents and acknowledge and agree that any such action by the Collateral Agent shall bind the Lender. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Transaction Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Collateral Agent have or be deemed to have any fiduciary relationship with the Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Agreement or otherwise exist against the Collateral Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Transaction Agreements with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) Each of the Secured Parties (by acceptance of the benefits of the Security Documents) hereby irrevocably appoints and authorizes the Collateral Agent to act as the agent of (and to hold any security interest created by the Security Documents for and on behalf of or on trust for) such Secured Party for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent shall be entitled to the benefits of all provisions of this Article 25 as if set forth in full herein with respect thereto.

(c) The Lender and each Secured Party (by acceptance of the benefits of the Security Documents) hereby (i) acknowledges that it has received a copy of the Intercreditor Agreement, (ii) agrees that it will be bound by and will take no actions contrary to the provisions of the Intercreditor Agreement to the extent then in effect, and (iii) authorizes and instructs the Collateral Agent to enter into the Intercreditor Agreement as Collateral Agent and on behalf of such Lender or Secured Party.

(d) Except as provided in this Article 25, the provisions of this Article 25 are solely for the benefit of the Lender, and neither the Company nor any other Credit Party shall have rights as a third-party beneficiary of any of such provisions.

25.2 DELEGATION OF DUTIES.

The Collateral Agent may execute any of its duties under this Agreement or any other Transaction Agreement (including for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents or of exercising any rights and remedies thereunder) by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates, and the officers, directors, employees, partners, agents, advisors, attorneys-in-fact and other representatives of such Persons and Affiliates (collectively, " **Agent-Related Persons**"). The exculpatory provisions of this Article shall apply to any such sub-agent and to the Agent-Related Persons of the Collateral Agent and any such sub-agent, and shall apply to their activities as Collateral Agent. The Collateral Agent shall not be responsible for the negligence or misconduct of any agent or sub-agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

25.3 LIABILITY OF AGENTS.

No Agent-Related Person shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Transaction Agreement or the transactions contemplated hereby (except for its own gross negligence or willful misconduct, as determined by the final non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein), (ii) except as expressly set forth herein and in the other Transaction Agreements, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity, (iii) be responsible for or have any duty to ascertain or inquire into the satisfaction of any condition set forth in Article 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent or (d) be responsible in any manner to the Lender for any recital, statement, representation or warranty made by any Credit Party or any officer thereof, contained herein or in any other Transaction Agreement, or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or any other Transaction Agreement, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Agreement, the existence, value or collectability of the Collateral, any failure to monitor or maintain any part of the Collateral, or the perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party or any other party to any Transaction Agreement to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to the Lender or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Agreement, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. Notwithstanding the foregoing, the Collateral Agent shall have no duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Agreements that the Collateral Agent is required to exercise as directed in writing by the Lender; provided that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Transaction Agreement or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law.

25.4 RELIANCE BY AGENTS.

The Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any Credit Party), independent accountants and other experts selected by the Collateral Agent. The Collateral Agent shall be fully justified in failing or refusing to take any action under any Transaction Agreement unless it shall first receive such advice or concurrence of the Lender as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lender against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Agreement in accordance with a request or consent of the Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lender.

25.5 NOTICE OF DEFAULT.

The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Collateral Agent for the account of the Lender or Secured Parties, unless the Collateral Agent shall have received written notice from the Lender or the Company referring to this Agreement, describing such Event of Default and stating that such notice is a "notice of default." The Collateral Agent will notify the Lender of its receipt of any such notice. The Collateral Agent shall take such action with respect to any Event of Default as may be directed by the Lenders; provided that unless and until the Collateral Agent has received any such direction, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem advisable or in the best interest of the Lender.

25.6 CREDIT DECISION; DISCLOSURE OF INFORMATION BY COLLATERAL AGENT.

Lender acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by the Collateral Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of any Credit Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to the Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Lender represents to the Collateral Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Credit Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Company hereunder. Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Agreements, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Credit Parties. Except for notices, reports and other documents expressly required to be furnished to the Lender by the Collateral Agent herein, the Collateral Agent shall not have any duty or responsibility to provide Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Credit Parties or any of their Affiliates which may come into the possession of any Agent-Related Person.

25.7 INDEMNIFICATION.

Whether or not the transactions contemplated hereby are consummated, the Lender shall indemnify upon demand by each Agent-Related Person (to the extent not reimbursed by or on behalf of any Credit Party and without limiting the obligation of any Credit Party to do so) acting as the Collateral Agent, pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; provided that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Agent-Related Person's own gross negligence or willful misconduct, as determined by the final non-appealable judgment of a court of competent jurisdiction; provided that no action taken in accordance with the directions of the Lender shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 25.7. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Liabilities, this Section 25.7 applies whether any such investigation, litigation or proceeding is brought by the Lender or any other Person. Without limitation of the foregoing, the Lender shall reimburse the Collateral Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorney fees and costs) incurred by the Collateral Agent, as the case may be, in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Transaction Agreement, or any document contemplated by or referred to herein, to the extent that the Collateral Agent, as the case may be, is not reimbursed for such expenses by or on behalf of the Credit Parties and without limiting their obligation to do so. The undertaking in this Section 25.7 shall survive payment in full of the Obligations and the resignation of the Collateral Agent, as the case may be.

25.8 SUCCESSOR AGENTS.

The Collateral Agent may resign as the Collateral Agent upon thirty (30) days' notice to the Lender and the Company. If the Collateral Agent resigns under this Agreement, the Lender shall appoint a successor agent, which successor agent shall be consented to by the Company at all times other than during the existence of an Event of Default (which consent of the Company shall not be unreasonably withheld or delayed). If no successor agent is appointed prior to the effective date of the resignation or removal of the Collateral Agent, the Collateral Agent may appoint, after consulting with the Lender, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, the Person acting as such successor agent shall succeed to all the rights, powers and duties of the retiring Collateral Agent and the term "Collateral Agent" shall mean such successor collateral agent, and the retiring Collateral Agent's appointment, powers and duties as the Collateral Agent shall be terminated. After the retiring Collateral Agent's resignation or removal hereunder as the Collateral Agent, the provisions of this Article 25 and the provisions of Article 8 and Article 17 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Collateral Agent under this Agreement. If no successor agent has accepted appointment as the Collateral Agent by the date which is thirty (30) days following the retiring Collateral Agent's notice of resignation, the retiring Collateral Agent's resignation shall nevertheless thereupon become effective and the Lender shall perform all of the duties of the Collateral Agent hereunder until such time, if any, as the Lender appoints a successor agent as provided for above. Upon the acceptance of any appointment as the Collateral Agent hereunder by a successor and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Lender may request, in order to (a) continue the perfection of the Liens granted or purported to be granted by the Security Documents or (b) otherwise ensure that Section 4.20(r) is satisfied, the Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges, and duties of the retiring Collateral Agent, and the retiring Collateral Agent shall be discharged from its duties and obligations under the Transaction Agreements. After the retiring Collateral Agent's resignation hereunder as the Collateral Agent, the provisions of this Article 25 and Article 8 and Article 17 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Collateral Agent.

25.9 COLLATERAL AGENT MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Credit Party, the Collateral Agent (irrespective of whether any principal amount of the Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Collateral Agent shall have made any demand on the Company) shall be (to the fullest extent permitted by mandatory provisions of applicable Law) entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lender and the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lender and the Collateral Agent and their respective agents and counsel and all other amounts due to the Lender and the Collateral Agent under Article 8 and Article 17) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, curator, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by Lender to make such payments to the Collateral Agent and, in the event that the Collateral Agent shall consent to the making of such payments directly to the Lender, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Collateral Agent and its respective agents and counsel, and any other amounts due the Collateral Agent under Article 8 and Article 17.

Nothing contained herein shall be deemed to authorize the Collateral Agent to authorize or consent to or accept or adopt on behalf of the Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of the Lender or to authorize the Collateral Agent to vote in respect of the claim of the Lender in any such proceeding.

25.10 COLLATERAL AND GUARANTY MATTERS.

The Lender irrevocably agrees:

(a) That upon the request of the Company, the Collateral Agent may release or subordinate any Lien on any property granted to or held by the Collateral Agent under any Transaction Agreement to the holder of any Lien on such property that is permitted hereunder pursuant to documents reasonably acceptable to the Collateral Agent; and

(b) The Collateral Agent may, without any further consent of the Lender, enter into (i) any intercreditor or subordination agreement with the collateral agent or other representatives of holders of Permitted Secured Debt that is intended to be secured on a junior or pari passu basis with the Liens securing the Obligations and/or (ii) a intercreditor or subordination agreement with the collateral agent or other representatives of the holders of Indebtedness that is intended to be secured on a junior basis to the Liens securing the Obligations, in each case, where such Indebtedness is secured by Liens permitted hereunder. The Collateral Agent may rely exclusively on a certificate of the chief executive officer or chief financial officer the Company as to whether any such other Liens are permitted. Any such intercreditor or subordination agreement entered into by the Collateral Agent in accordance with the terms of this Agreement shall be binding on the Secured Parties.

Upon request by the Collateral Agent at any time, the Lender will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary from its obligations under the Guaranty and Security Agreement pursuant to this Section 25.10. In each case as specified in this Section 25.10, the Collateral Agent will promptly upon the request of the Company (and the Lender irrevocably authorizes the Collateral Agent to), at the Company's expense, execute and deliver to the applicable Credit Party such documents as the Company may reasonably request to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Security Documents, or to evidence the release of such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Transaction Agreements and this Section 25.10 (and the Collateral Agent may rely conclusively on a certificate of the chief executive officer or chief financial officer of the Company to that effect provided to it by any Credit Party upon its reasonable request without further inquiry). Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Collateral Agent.

25.11 WITHHOLDING TAX INDEMNITY.

To the extent required by any applicable Law, the Collateral Agent may deduct or withhold from any payment to the Lender an amount equivalent to any applicable withholding Tax and any such withholding or deduction shall be subject to Section 8.2. If the Internal Revenue Service or any other authority of the United States or Canada or other jurisdiction asserts a claim that the Collateral Agent did not properly deduct withhold Tax from amounts paid to or for the account of the Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because the Lender failed to notify the Collateral Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective), the Lender shall, within ten (10) days after written demand therefor, indemnify and hold harmless the Collateral Agent for all amounts paid, directly or indirectly, by the Collateral Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Body. A certificate as to the amount of such payment or liability delivered to the Lender by the Collateral Agent shall be conclusive absent manifest error. Lender hereby authorizes the Collateral Agent to set off and apply any and all amounts at any time owing to the Lender under this Agreement or any other Transaction Agreement against any amount due the Collateral Agent under this Section 25.11. The agreements in this Section 25.11 shall survive the resignation and/or replacement of the Collateral Agent, any assignment of rights by, or the replacement of, Lender and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE 26
AMENDMENT AND RESTATEMENT

This Agreement amends, restates, supersedes and replaces the Original Agreement as amended by the Amendments; provided, however, that the execution and delivery by the undersigned of this Agreement shall not, in any manner or circumstance, be deemed to be a payment of, a novation of or to have terminated, extinguished or discharged any of the undersigned's obligations evidenced by the Original Agreement as amended by the Amendments, all of which obligations shall continue under and shall hereinafter be evidenced by and governed by this Agreement.

ARTICLE 27
ACKNOWLEDGEMENT REGARDING EXCLUDED LAWS

The parties hereto agree and acknowledge that no party makes, will make or shall be deemed to make or have made any representation or warranty of any kind regarding the compliance of this Agreement or any Transaction Agreement with any Excluded Laws. No party hereto shall have any right of rescission or amendment arising out of or relating to any non-compliance with Excluded Laws unless such noncompliance also constitutes a violation of applicable state laws, rules or regulations, and no party shall seek to enforce the provisions hereof in federal court unless and until the parties have reasonably determined that the applicable state laws, rules and regulations are fully compliant with Excluded Laws.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Secured Debenture Purchase Agreement as of the date first written.

COMPANY:

IANTHUS CAPITAL HOLDINGS, INC.

Per: /s/ Randy Maslow
Name: Randy Maslow
Title: Interim Chief Executive Officer & President

ISSUER:

IANTHUS CAPITAL MANAGEMENT, LLC

Per: /s/ Randy Maslow
Name: Randy Maslow
Title: President

Signature Page to Second Amended and Restated Secured Debenture Purchase Agreement

OTHER CREDIT PARTIES:

iANTHUS EMPIRE HOLDINGS, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

GHHIA MANAGEMENT, INC.

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

PILGRIM ROCK MANAGEMENT, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

PAKALOLO, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

SCARLET GLOBEMALLOW, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

CGX LIFE SCIENCES INC.

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

FALL RIVER DEVELOPMENT COMPANY, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

GREENMART OF NEVADA NLV, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

CITIVA MEDICAL LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

iANTHUS HOLDINGS FLORIDA, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

GROWHEALTHY PROPERTIES, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

GRASSROOTS VERMONT MANAGEMENT SERVICES, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

BERGAMOT PROPERTIES, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

IMT, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

MPX BIOCEUTICAL ULC

By: /s/ Julius Kalcevich
Name: Julius Kalcevich
Its: Chief Executive Officer

AMBARY, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

IANTHUS NEW JERSEY, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

FWR, INC.

By: /s/ Alexandra Ford
Name: Alexandra Ford
Its: President

MAYFLOWER MEDICINALS, INC.

By: /s/ Randy Maslow
Name: Randy Maslow
Its: Secretary

IANTHUS ARIZONA, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

S8 RENTAL SERVICES, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

S8 MANAGEMENT, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

GTL HOLDINGS, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

IA CBD, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

MCCRORY'S SUNNY HILL NURSERY, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Its: President

Signature Page to Second Amended and Restated Secured Debenture Purchase Agreement

LENDERS:

GOTHAM GREEN FUND 1, L.P.

By: Gotham Green GP 1, LLC, its general partner

By: /s/ Jason Adler
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN FUND 1 (Q), L.P.

By: Gotham Green GP 1, LLC, its general partner

By: /s/ Jason Adler
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN FUND II, L.P.

By: Gotham Green GP II, LLC, its general partner

By: /s/ Jason Adler
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN CREDIT PARTNERS SPV 1, L.P.

By: Gotham Green GP 1, LLC, its general partner

By: /s/ Jason Adler
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN PARTNERS SPV V, L.P.

By: Gotham Green GP V, LLC, its general partner

By: /s/ Jason Adler
Name: Jason Adler
Its: Managing Member

GOTHAM GREEN FUND II (Q), L.P.

By: Gotham Green GP II, LLC, its general partner

By: /s/ Jason Adler
Name: Jason Adler
Its: Managing Member

LENDERS (CONTINUED):

COLLATERAL AGENT:

GOTHAM GREEN ADMIN 1, LLC
a Delaware limited liability company

By: /s/ Jason Adler
Name: Jason Adler
Its: Managing Member

SCHEDULE "A"

CANADIAN "ACCREDITED INVESTOR" CERTIFICATE

(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)

****If you check box (j), (k) or (l), you must also complete a Risk Acknowledgement Form to be provided by the Company**

☐ (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;

☐ (a.1) in Ontario, a financial institution that is (i) a bank listed in Schedule I, II or III of the Bank Act (Canada); (ii) an association to which the Cooperative Credit Associations Act (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or (iii) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;

☐ (b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) a subsidiary of any person or company referred to in paragraphs (a), (a.1) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) a person or company registered under the securities legislation of a jurisdiction (province or territory) of Canada as an adviser or dealer;

☐ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

☐ (f) he Government of Canada or a jurisdiction (province or territory) of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction (province or territory) of Canada;

☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comite de gestion de la taxe scolaire de l'ile de Montreal or an intermunicipal management board in Quebec;

☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction (province or territory) of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities, exceeds $1,000,000; ***[PLEASE ALSO COMPLETE SECTIONS 2-4 OF THE RISK ACKNOWLEDGEMENT FORM]***

☐ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $5,000,000;

☐ (k) an individual whose net income before taxes exceeded $200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; ***[PLEASE ALSO COMPLETE SECTIONS 2-4 OF THE RISK ACKNOWLEDGEMENT FORM]***

☐ (l) an individual who, either alone or with a spouse, has net assets of at least $5,000,000;***[PLEASE ALSO COMPLETE SECTIONS 2-4 OF THE RISK ACKNOWLEDGEMENT FORM]***

☐ (m) a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*] or 2.19 [*Additional investment in investment funds*] of NI 45-106, or (iii) a person described in sub-paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;

☐ (v) (i) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor; or (ii) in Ontario, a person that is recognized or designated by the Ontario Securities Commission as an accredited investor; or

☐ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

For the purposes hereof, the following definitions are included for convenience:

(a) "*bank*" means a bank named in Schedule I or II of the *Bank Act* (Canada);

(b) "*Canadian financial institution*" means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) "*company*" means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

(d) "*financial assets*" means (i) cash, (ii) securities, or (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

(e) "*fully managed account*" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

(f) *"investment fund*" has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

(g) *person*" includes

(i) an individual,
(ii) a corporation,
(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons whether incorporated or not, and
(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative.

(h) "*related liabilities*" means (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (ii) liabilities that are secured by financial assets;

(i) "*Schedule III bank*" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(j) "*spouse*" means, an individual who, (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

(k) "*subsidiary*" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106 a person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other, or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.

In NI 45-106 a person (first person) is considered to control another person (second person) if (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106 a trust company or trust corporation described in paragraph (p) above of the definition of "accredited investor" (other than in respect of a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the Trust and Loan Companies Act (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be purchasing as principal.

In NI 45-106 a person described in paragraph (q) above of the definition of "accredited investor" is deemed to be purchasing as principal.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The foregoing certificate is true and accurate as of the date of this certificate and will be true and accurate as of the Closing Date.

Dated: _____ _____, 2018

NON-INDIVIDUAL PURCHASERS SIGNATURE

_____
(Print Name of Purchaser Above)

By: _____
(Authorized Signatory Sign Above)

_____
(Print Name of Authorized Signatory Above)

_____
(Print Official Capacity or Title of Authorized Signatory Above)

SCHEDULE "B"

U.S. ACCREDITED INVESTOR CERTIFICATE

The undersigned Lender hereby certifies that it is an Accredited Investor as that term is defined in Rule 501(a) of Regulation D adopted pursuant to the*United States Securities Act* of 1933, as amended (the "**U.S. Securities Act**"). The specific category(s) of Accredited Investor applicable to the undersigned is checked below. **All references to dollar amounts in this Schedule A are to the lawful currency of the United States.**

_____ (a) Any bank as defined in Section 3(a)(2) of the U.S. Securities Act or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934, as amended; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the United States Investment Company Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the United States Small Business Investment Act of 1958, as amended; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of USD$5,000,000; any employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of USD$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

_____ (b) Any private business development company as defined in Section 202(a)(22) of the United States Investment Advisers Act of 1940, as amended;

_____ (c) Any organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, corporation, limited liability company, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of USD$5,000,000;

_____ (d) Any trust with total assets in excess of USD$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person, being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment;

_____ (e) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds USD$1,000,000 **Note**: For the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

_____ (f) Any natural person who had an individual income in excess of USD$200,000 in each of the two most recent years or joint income with that person's spouse in excess of USD$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

_____ (g) Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer or general partner of a general partner of that issuer; or

_____ (h) Any entity in which all of the equity owners meet the requirements of at least one of the above categories – if this category is selected, you must identify each equity owner and provide statements from each demonstrating how they qualify as a U.S. Accredited Investor.

IN WITNESS WHEREOF, the undersigned has executed this U.S. Accredited Investor Certificate this _____ day of, 2020.

Name of Lender

By: _____

Name:
Title:

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

(Available for Common Shares issued when the Issuer qualified as a Foreign Private Issuer)

TO: iAnthus Capital Holdings, Inc. (the "**Issuer**")

AND TO: Registrar and transfer agent for the shares of the Issuer

The undersigned (A) acknowledges that the sale of the _____ common shares in the capital of the Issuer represented by certificate number _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer (except solely by virtue of being an officer or director of the Issuer) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the TSX Venture Exchange or a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

X _____

Signature of individual (is Seller **is** an individual)

X _____

Authorized signatory (if Seller is **not** an individual)

_____

Name of Seller (**please print**)

_____

Name of authorized signatory (**please print**)

_____

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____ (the "**Seller**") contained in the foregoing Declaration for Removal of Legend, dated _____, 20__, with regard to the sale, for such Seller's account, of _____ common shares (the "**Securities**") of the Issuer represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) no offer to sell Securities was made to a person in the United States;

(2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Issuer shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

By: _____
Authorized Signatory

EXHIBIT "A"

FORM OF WARRANT CERTIFICATE

[See Next Page]

WARRANT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●][1].

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE AFTER 5:00 P.M. (TORONTO TIME) ON [●][2], SUBJECT TO THE TERMS AND CONDITIONS HEREIN, UNLESS HOLDER HAS EXERCISED ITS RIGHTS PRIOR THERETO.

IANTHUS CAPITAL HOLDINGS, INC.

(Incorporated under the laws of British Columbia)

Certificate Number: [●]

[●] Warrants to Purchase

[●] Shares

1 Tranche 2: January 31, 2020. Tranches 3 and 4 if applicable: four months and a day after the applicable funding date.

2 Tranche 2: September 30, 2022. Tranches 3 and 4 if applicable: insert the date that is 36 months following the applicable funding date.

COMMON SHARE PURCHASE WARRANTS

THIS IS TO CERTIFY THAT, for value received, [●], a limited partnership established under the laws of Delaware, or its lawful assignee (the "**Holder**") is entitled to subscribe for and purchase up to [●] fully paid and non-assessable common shares (collectively the "**Shares**" and individually, a "**Share**") in the capital of the iAnthus Capital Holdings Inc. (the "**Company**"), at a price of US$[●][3] per Share at any time on or before 5:00 p.m. Toronto time on [●][4] (the "**Expiry Date**"), subject to the right of the Company, in its sole discretion, to extend the Expiry Date for an additional 12 months as provided for herein. This Warrant is subject to the provisions of the Terms and Conditions attached hereto as **Schedule "A"** and forming part hereof.

The rights represented by this Warrant Certificate may be exercised by the Holder, in whole or in part (but not as to a fraction of a Share) by surrender of this Warrant Certificate (properly endorsed as required), together with a Warrant Exercise Form in the form attached hereto as **APPENDIX "B"**, duly completed and executed, to the Company at 420 Lexington Avenue, Suite 414, New York, New York 10170, United States (Attention: Chief Financial Officer), or such other address as the Company may from time to time in writing direct, together with a certified cheque or bank draft payable to or to the order of the Company in payment of the purchase price of the number of Shares subscribed for. The Holder is advised to read "Instruction to Holders" attached hereto as **APPENDIX "A"** for details on how to complete the Warrant Exercise Form (as such term is defined in **SCHEDULE "A"**).

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be executed by its duly authorized officer, this _____ day of _____, 20_____.

iANTHUS CAPITAL HOLDINGS, INC.

Per: _____
Authorized Signatory

3 Tranche 2: US$1.97. For Tranche 3 and Tranche 4, if applicable, use 130% of the lesser of: (i) the closing market price of iAnthus' commonshares as quoted on the CSE on September 27, 2019 and (ii) the closing market price of iAnthus' common shares as quoted on the CSE the Business Day immediately prior to the Tranche 3 Funding Date or the Tranche 4 Funding Date, respectively.

4 Tranche 2: September 30, 2022. Tranches 3 and 4 if applicable: insert the date that is 36 months following the applicable funding date.

SCHEDULE "A"

TERMS AND CONDITIONS
ATTACHED TO COMMON SHARE PURCHASE WARRANTS
ISSUED BY iANTHUS CAPITAL HOLDINGS, INC.
(the "**Company**")

Each Warrant of the Company, whether single or part of a series, is subject to these Terms and Conditions as they were at the date of issue of the Warrant.

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

Section 1.1 In these Terms and Conditions, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

(a) "**Company**" means iAnthus Capital Holdings, Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) and includes any successor corporations;

(b) "**Company's auditor**" means the accountant duly appointed as auditor of the Company;

(c) "**Debenture Purchase Agreement**" means the secured debenture purchase agreement dated May 14, 2018 among Gotham Green Fund 1, L.P. Gotham Green Credit Partners SVP 1, L.P. and the other Lenders named therein, the Company, and the Company's subsidiary iAnthus Capital Management, LLC, as amended by that certain Amendment dated March 4, 2019 and that certain Second Amendment to Secured Debenture Purchase Agreement and Debentures dated as of the date hereof (as further amended, restated, supplemented or otherwise modified from time to time), pursuant to which the Lender has purchased the Senior Secured Debentures;

(d) "**Exercise Price**" means US$[●][5] per Share or as may be adjusted pursuant to Section 5;

(e) "**Expiry Date**" means [●][6], subject to extension in accordance with Section 4.7;

(f) "**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;

(g) "**Holder**" means the registered holder of a Warrant;

(h) "**Lender**" shall have the meaning ascribed thereto in the Debenture Purchase Agreement;

5 Tranche 2: US$1.97. For Tranche 3 and Tranche 4, if applicable, use 130% of the lesser of: (i) the closing market price of iAnthus' common shares as quoted on the CSE on September 27, 2019 and (ii) the closing market price of iAnthus' common shares as quoted on the CSE the Business Day immediately prior to the Tranche 3 Funding Date or the Tranche 4 Funding Date, respectively.

6 Tranche 2: September 30, 2022. Tranches 3 and 4 if applicable: insert the date that is 36 months following the applicable funding date

(i) "**person**" means an individual, corporation, partnership, trustee or any unincorporated organization, and words importing persons have a similar meaning;

(j) "**Senior Secured Debentures**" means the 13% senior secured debentures, dated [●][7], of the Company's wholly owned subsidiary iAnthus Capital Management, LLC issued to the Lender in the aggregate principal amount of US$[●][8] in accordance with the terms of the Debenture Purchase Agreement;

(k) "**Shares**" or "**shares**" means the common shares in the capital of the Company as constituted at the date of issue of a Warrant and any shares resulting from any event referred to in Part 5;

(l) "**Warrant**" means a warrant as evidenced by this certificate, one (1) Warrant entitles the Holder to purchase one (1) common share of the Company (subject to adjustment as provided in this Warrant Certificate) at any time on or prior to the Expiry Time at the Exercise Price set forth on the Warrant Certificate;

(m) "**Warrant Certificate**" means this certificate evidencing the Warrants; and

(n) "Warrant Exercise Form" means APPENDIX "B" hereof.

Interpretation

Section 1.2 In these Terms and Conditions, except as otherwise expressly provided herein:

(a) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Warrant Certificate as a whole and not to any particular Part, clause, subclause or other subdivision;

(b) a reference to a Part or a Section means a Part or a Section, as applicable, of these Terms and Conditions;

(c) the headings are for convenience only, do not form a part of these Terms and Conditions and are not intended to interpret, define or limit the scope, extent or intent of these Terms and Conditions or any of its provisions;

(d) all dollar amounts referred to herein are expressed in United States dollars funds;

(e) time will be of the essence hereof; and

(f) words importing the singular number include the plural and vice versa, and words importing the masculine gender include feminine and neuter genders.

Applicable Law

Section 1.3 The Warrants will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto and will be treated in all respects as legal contracts under the laws of the Province of British Columbia.

7 Tranche 2: September 30, 2019. Tranches 3 and 4 if applicable: insert the applicable funding date.
8 Tranche 2: US$20,000,000. Tranche 3 if applicable: US$35,000,000. Tranche 4 if applicable: US$30,500,000.

PART 2
ISSUE OF WARRANTS

Additional Warrants

Section 2.1 The Company may at any time and from time to time issue Warrants or grant options or similar rights to purchase shares of the Company.

Issue in Substitution for Lost Warrants

Section 2.2 In case a Warrant Certificate will become mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, and in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the Warrants represented by such substituted Warrant Certificate will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants of the same issue. The Company may charge a reasonable fee for the issuance and delivery of a new Warrant Certificate.

Section 2.3 The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and in the case of loss, destruction or theft furnish to the Company such evidence of ownership, and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its reasonable discretion; and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion and will pay the reasonable charges of the Company in connection therewith.

Holder not a Shareholder

Section 2.4 The holding of a Warrant alone will not constitute the Holder a shareholder of the Company with respect to the Shares issuable upon exercise of such Warrant, nor entitle the Holder to any right or interest in respect thereof, except as expressly provided in this Warrant Certificate.

Securities Law Exemption

Section 2.5 The Holder acknowledges and agrees that the Warrants and any Shares issued pursuant to the exercise of any Warrants have been or will be issued only on a "private placement" basis and that the Company has no obligation to, and does not intend to, file any prospectus or registration statement in any jurisdiction in order to qualify any of such Warrants and/or Shares for resale to the public.

PART 3
OWNERSHIP

Exchange of Warrants

Section 3.1 A Warrant Certificate in any authorized denomination, upon compliance with the reasonable requirements of the Company, may be exchanged for a Warrant Certificate(s) in any other authorized denomination of the same issue entitling the Holder to purchase an equal aggregate number of Shares at the same Exercise Price and on the same terms as the Warrant Certificate so exchanged.

Section 3.2 Warrants may be exchanged only with the Company. Any Warrants tendered for exchange will be surrendered to the Company and cancelled.

Section 3.3 The Warrants are transferable by the Holder completing and submitting to the Company a completed and duly executed Warrant Transfer Form.

Charges for Exchange

Section 3.4 On exchange of Warrants, except as otherwise herein provided, payment of any transfer taxes or governmental or other charges which are obligations of the party requesting such exchange will be made by such party.

Ownership of Warrants

Section 3.5 The Company may deem and treat the Holder of a Warrant as the absolute owner of such Warrant for all purposes and will not be affected by any notice or knowledge to the contrary.

Notice to Holder

Section 3.6 Unless herein otherwise expressly provided, any notice to be given hereunder to a Holder will be deemed to be validly given, if mailed to the address of the Holder as set out on the Warrant Certificate or the applicable Warrant Transfer Form. Any notice so given will be deemed to have been received five days from the date of mailing to the Holder or any market intermediary then holding the Warrants of the Holder in any trust account.

PART 4
EXERCISE OF WARRANTS

Method of Exercise of Warrants

Section 4.1 The right to purchase Shares conferred by a Warrant may be exercised by the Holder surrendering the Warrant Certificate, together with a duly completed and executed Warrant Exercise Form and a certified cheque, bank draft, or wire transfer payable to, or to the order of the Company at the address as set out on the Warrant Certificate, for the purchase price applicable at the time of surrender in respect of the shares subscribed for in lawful money of Canada to the Company at the address as set out on the Warrant Exercise Form.

Effect of Exercise of Warrants

Section 4.2 Upon surrender and payment as aforesaid, the shares so subscribed for will be deemed to have been issued, and the Holder will be deemed to have become the holder of such shares on the date of such surrender and payment, and such shares will be issued at the Exercise Price as may be adjusted in the events and in the manner described herein.

Section 4.3 Within two business days after surrender and payment as aforesaid, the Company will forthwith cause to be delivered to the person in whose name the shares are directed to be registered as specified in such Warrant Exercise Form, or if no such direction is given, the Holder, a certificate for the appropriate number of shares not exceeding those which the Holder is entitled to purchase pursuant to the Warrant Certificate surrendered.

Subscription for Less than Entitlement

Section 4.4 A Holder may purchase a number of Shares less than the number which the Holder is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of shares less than the number which can be purchased pursuant to a Warrant Certificate, the Holder, upon exercise thereof, will, in addition to certificates representing shares issued on such exercise, and be entitled to receive a new Warrant Certificate in respect of the balance of the shares which the Holder was entitled to purchase pursuant to the surrendered Warrant Certificate but which were not then purchased.

Warrants for Fractions of Shares

Section 4.5 To the extent that a Holder is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate will entitle the Holder to receive a whole number of Shares.

Expiration of Warrants

Section 4.6 After the Expiry Date, all rights under the Warrants will wholly cease and terminate, and the Warrants will thereupon be void and of no effect.

Section 4.7 In the event that the Company exercises its right to extend the maturity date of the Debentures by twelve (12) months, such that the Debentures mature on May 14, 2022, the Expiry Date shall automatically be extended for an additional twelve (12) months, such that the rights under this Warrant shall be exercisable until 5:00 p.m. Toronto time on September 30, 2023.

Exercise Price

Section 4.8 The price per Share which must be paid to exercise a Warrant is the Exercise Price, as may be adjusted in the events and in the manner described herein.

Class of Securities

Section 4.9 Notwithstanding anything contained in this Schedule "A" or the Warrant Certificate to which this Schedule "A" is attached, the Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

PART 5
ADJUSTMENTS AND ACCELERATION

Section 5.1 Adjustments

(1) Definitions: For the purposes of this Part 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection:

(a) "**Adjustment Period**" means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;

(b) "**Current Market Price**" means the price per share equal to the weighted average price at which the Shares have traded on the Canadian Securities Exchange or a senior stock exchange or, if the Shares are not then listed on such an exchange, in the over-the-counter market, during the period of any twenty (20) consecutive trading days ending not more than five (5) business days before such date;

(c) "**director**" means a director of the Company at the relevant time and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Company as a board or, whenever empowered, action by any committee of the directors of the Company; and

(d) "**trading day**" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2) Adjustments: The Exercise Price and the number of Shares issuable to the Holder pursuant to this Warrant shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If at any time during the Adjustment Period the Company shall:

(i) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares;

(iii) subdivide the outstanding Shares into a greater number of Shares; or

(iv) consolidate the outstanding Shares into a lesser number of Shares;

(any of such events in subclauses 5.1(2)(a)(i), 5.1(2)(a)(ii), 5.1(2)(a)(iii) and 5.1(2)(a)(iv) above being herein called a "**Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Share Reorganization and the effective date of the Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Share Reorganization; and

(B) the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Share Reorganization (including in the case of a distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares that would be outstanding had such securities all been exchanged or exercised for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(a) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Share actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Subsection 5.1(2)(a) the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization, if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Share or securities exchangeable for or convertible into Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing:

either: (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered; or (b) the product of the exchange, exercise or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be; by

the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares into which such securities may be exchanged, exercised or converted).

Any Share owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(b) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this Subsection 5.1(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the Share of:

(i) shares of the Company of any class other than Shares;

(ii) rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares (other than rights, options or warrants pursuant to which holders of Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares at a price per share (or in the case of securities exchangeable or exercisable for or convertible into Shares at an exchange, exercise or conversion price per share on the record date for the issue of such securities) of at least 95% of the Current Market Price of the Shares on such record date);

(iii) evidences of indebtedness of the Company; or

(iv) any property or assets of the Company;

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date, and

the fair value, as determined by the directors of the Company, to the holders of Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(c) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares referred to in this Subsection 5.1(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there shall occur:

(i) a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Share Reorganization;

(ii) a consolidation, amalgamation or merger of the Company with or into any other body corporate which results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or

(iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization, the Holder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of this Warrant, in lieu of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of Subsections 5.1(2)(a), 5.1(2)(b), or 5.1(2)(c) hereof, then the number of Shares purchasable upon the subsequent exercise of this Warrant shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to Subsection 5.1(2) of this Warrant.

(a) Subject to the following provisions of this Subsection 5.1(3), any adjustment made pursuant to Subsection 5.1(2) hereof shall be made successively whenever an event referred to therein shall occur.

(b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent in the then Exercise Price; provided, however, that any adjustments which except for the provision of this Subsection 5.1(3)(b) would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of Subsection 5.1(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of this Warrant (except in respect of the Share Reorganization described in Subsection 5.1(2)(a)(iv) hereof or a Capital Reorganization described in Subsection 5.1(2)(d)(ii) hereof).

(c) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of this Warrant shall be made in respect of any event described in Section 5.1 hereof if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Warrant prior to or on the record date or effective date, as the case may be, of such event.

(d) No adjustment in the Exercise Price or in the number of Shares purchasable upon the exercise of this Warrant shall be made pursuant to Subsection 5.1(2) hereof in respect of the issue from time to time of Shares and Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Company and/or any subsidiary of the Company and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Share Reorganization, a Rights Offering nor any other event described in Subsection 5.1(2) hereof.

(e) If at any time during the Adjustment Period the Company shall take any action affecting the Shares, other than an action described in Subsection 5.1(2) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of the Holder, either or both the Exercise Price and the number of Shares purchasable upon exercise of this Warrant shall be adjusted in such manner and at such time by action by the directors, in their sole discretion, as may be equitable in the circumstances; provided, however, that any such adjustment shall be subject to the approval of the applicable recognized stock exchange (if the Shares are then listed on such stock exchange) and any other required regulatory approvals.

(f) If the Company shall set a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of this Warrant shall be required by reason of the setting of such record date.

(g) In any case in which this Warrant shall require that an adjustment shall become effective immediately after a record date for an event referred to in Subsection 5.1(2) hereof, the Company may defer, until the occurrence of such event:

(i) issuing to the Holder, to the extent that this Warrant is exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and the number of Shares purchasable upon the exercise of this Warrant and to such distribution declared with respect to any such additional Shares issuable on this exercise of this Warrant.

(h) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(i) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Shares purchasable upon the exercise of this Warrant, such disputes shall be conclusively determined by a firm of independent chartered accountants mutually acceptable to the Company and the Holder other than the auditors of the Company and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to Subsection 5.1(2) hereof and shall be binding upon the Company and the Holder.

(j) As a condition precedent to the taking of any action which would require an adjustment pursuant to Subsection 5.1(2) hereof, including the Exercise Price and the number or class of Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable shares all of the Shares or other securities which the Holder is entitled to receive in accordance with the provisions of this Warrant Certificate.

(4) Notice: At least seven (7) days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, including the Exercise Price and the number of Shares which are purchasable under this Warrant, the Company shall deliver to the Holder a certificate of the Company specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Subsection 5.1(4) has been given is not then determinable, the Company shall promptly after such adjustment is determinable deliver to the Holder a certificate providing the calculation of such adjustment. The Company hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Company will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such seven (7) day period.

Determination of Adjustments

Section 5.2 If any question will at any time arise with respect to any adjustments to be made under Part 5, such question will be conclusively determined by the Company's auditor, or, if the Company's auditor declines to so act, any other chartered accountant that the Company and the Holder mutually agree upon and designate (acting reasonably) and who will have access to all appropriate records, and such determination will be binding upon the Company and the Holder.

Hold Period

Section 5.3 In addition to the hold period set out on the face page of this warrant and the restriction set out in Part 7, the Shares received by the Holder upon the exercise of the Warrants may be subject to a hold period as determined by the policies of the Canadian Securities Exchange and/or other applicable securities laws of stock exchange polices the Company is then listed on.

PART 6
COVENANTS BY THE COMPANY

Reservation of Shares

Section 6.1 The Company will reserve, and there will remain unissued out of its authorized capital, a sufficient number of shares to satisfy the rights of purchase provided for in all Warrants from time to time outstanding.

PART 7
RESTRICTION ON EXERCISE

Section 7.1 Any certificates representing Shares issued upon exercise of the Warrants prior to the date that is four months and one day after the date of issue of the Warrants, and any Shares issued in exchange for such Shares, will bear the following legends:

> **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●][9]."**

provided that at any time subsequent to the date which is four months and one day after the date hereof, any certificate representing any such Shares may be exchanged for a certificate bearing no such legends.

Section 7.2 This Warrant and the Shares to be issued upon its exercise have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This Warrant may not be exercised in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Shares are registered under the U.S. Securities Act and the applicable laws of any such state or (ii) an exemption from such registration requirements is available and, in either case, the Holder has complied with the requirements set forth in the Warrant Exercise Form attached hereto as **APPENDIX "B"**. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

9 Tranche 2: January 31, 2020. Tranches 3 and 4: four months and a day after the applicable funding date.

Section 7.3 Any Shares issued upon exercise of this Warrant in the United States, or to or for the account or benefit of a U.S. person or a person in the United States, will be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act. The certificates representing such Shares, as well as all certificates issued in exchange or in substitution therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act, or applicable state securities laws, will bear, on the face of such certificate, the following legends:

> **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.**
>
> **THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."**

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act ('**Regulation S**") and such Shares were acquired at a time when the Company is a "foreign issuer" as defined in Regulation S, the legends set forth above in this Section 7.3 may be removed by providing a declaration to the registrar and transfer agent of the Company, as set forth in Appendix "D" attached hereto (or in such other form as the Company may prescribe from time to time); and provided, further, that, if the Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legends may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Section 7.4 Notwithstanding any provision to the contrary contained herein, no Shares will be issued pursuant to the exercise of any Warrant if the issuance of such securities would constitute a violation of the securities laws of any applicable jurisdiction, and the certificates evidencing the Shares thereby issued may bear such legend as may, in the opinion of legal counsel to the Company, be necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the Shares of the Company are listed, provided that, at any time, in the opinion of legal counsel to the Company, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at that holder's expense, provides the Company with evidence reasonably satisfactory in form and substance to the Company (which may include an opinion of legal counsel reasonably satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

PART 8
MODIFICATION OF TERMS, SUCCESSORS

Modification of Terms and Conditions for Certain Purposes

Section 8.1 From time to time the Company may, subject to the provisions of the Warrant Certificate, when so directed by the Holder, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel for the Company, are reasonably necessary or advisable in the circumstances;

(b) making such provisions not inconsistent herewith as may be reasonably necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of Warrants on any stock exchange or house;

(c) adding to or altering the provisions hereof in respect of the registration of Warrants making provision for the exchange of Warrant Certificates of different denominations; and making any modification in the form of Warrant Certificates which does not affect the substance thereof;

(d) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(e) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in the Warrants contained as provided hereafter in this Part 8.

The Company may Amalgamate on Certain Terms

Section 8.2 Nothing herein contained will prevent any amalgamation or merger of the Company with or into any other company, or the sale of the property or assets of the Company to any company lawfully entitled to acquire the same; provided however that such amalgamation or merger is permitted under the Debenture Purchase Agreement.

Additional Financings

Section 8.3 Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

[End of Schedule “A”]

APPENDIX "A"

INSTRUCTIONS TO HOLDERS

TO EXERCISE:

To exercise Warrants, the Holder must complete, sign and deliver the Warrant Exercise Form, attached as Appendix "B" and deliver the Warrant Certificate(s) to the Company, indicating the number shares to be acquired.

TO TRANSFER:

To transfer Warrants, the Holder must complete, sign and deliver the Warrant Transfer Form, attached as Appendix "C" and deliver the Warrant Certificate(s) to the Company. The Company may require such other certificates or opinions to evidence compliance with applicable securities legislation in Canada.

To transfer Warrants, the Warrant Holder's signature on the Warrant Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

GENERAL:

If forwarding any documents by mail, registered mail must be employed.

If the Warrant Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Company.

The address of the Company is:

iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

[End of Appendix "A"]

APPENDIX "B"

WARRANT EXERCISE FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

The undersigned Holder of the within Warrants hereby subscribes for common shares (the "**Shares**") of iAnthus Capital Holdings, Inc. (the "**Company**") pursuant to the within Warrants on the terms and price specified in the Warrants. This subscription is accompanied by a certified cheque, bank draft, or wire transfer payable to or to the order of the Company for the whole amount of the purchase price of the Shares.

The Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

The undersigned hereby directs that the Shares be registered as follows:

NAME(S) IN FULL	**ADDRESS(ES)**	**NUMBER OF SHARES**

As at the time of exercise hereunder, the undersigned Holder represents, warrants and certifies as follows (check one):

❑ (A) the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and is not exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (as defined in Regulation S), and did not execute or deliver this exercise form in the United States; OR

❑ (B) the undersigned holder is resident in the United States, is a U.S. person, or is exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (a "**U.S. Holder**"), and is an "accredited investor", as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (a "**U.S. Accredited Investor**"), and has completed the U.S. Accredited Investor Status Certificate in the form attached to this exercise form; OR

❑ (C) if the undersigned holder is a U.S. Holder, the undersigned holder has delivered to the Company and the Company's transfer agent an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Company) or such other evidence reasonably satisfactory to the Company to the effect that with respect to the Shares to be delivered upon exercise of the Warrant, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

Note: Certificates representing common shares will not be registered or delivered to an address in the United States unless box (B) or (C) immediately above is checked.

If the undersigned Holder has indicated that the undersigned Holder is a U.S. Accredited Investor by marking box (B) above, the undersigned Holder additionally represents and warrants to the Company that:

(2) the undersigned Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;

(3) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each a "**Beneficial Owner**"), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor; and

(4) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising (as such terms are used in Rule 502 of Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, television, the Internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking box (B) above, the undersigned also acknowledges and agrees that:

(5) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as the undersigned has considered necessary or appropriate in connection with the undersigned's investment decision to acquire the Shares;

(6) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(a) the sale is to the Company;

(b) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(c) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(d) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Company an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company;

(7) the Shares are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom;

(8) the Company has no obligation to register any of the Shares or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(9) the certificates representing the Shares (and any certificates issued in exchange or substitution for the Shares) will bear a legend stating that such securities have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered for sale or sold unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or unless an exemption from such registration requirements is available;

(10) delivery of certificates bearing such a legend may not constitute "good delivery" in settlement of transactions on Canadian stock exchanges or over-the-counter markets, but a new certificate without such a legend will be made available to the undersigned upon provision by the undersigned of a declaration to the registrar and transfer agent (the "**Transfer Agent**") of the Company's common shares in the form attached as Appendix "D" to the Warrant Certificate (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the Transfer Agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Transfer Agent, to the effect that such sale is being made in compliance with Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply; and provided, further, that, if any Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legend may be removed by delivery to the Transfer Agent and the Company of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(11) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(12) there may be material tax consequences to the undersigned of an acquisition or disposition of the Shares;

(13) the Company gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of any Shares; in particular, no determination has been made whether the Company will be a "passive foreign investment company" (commonly known as a "**PFIC**") within the meaning of Section 1297 of the United States Internal Revenue Code;

(14) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Warrants will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

(15) the Company is not obligated to remain a "foreign issuer"; and

(16) the undersigned consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Warrant Exercise Form.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED this _____ day of _____, 20_____.

In the presence of:

Signature of Witness	Signature of Holder
Witness's Name	Name and Title of Authorized Signatory for the Holder

INSTRUCTIONS FOR SUBSCRIPTION

The signature to the subscription must correspond in every particular with the name written upon the face of the Warrant Certificate without alteration. If the registration in respect of the certificates representing the Shares to be issued upon exercise of the Warrants differs from the registration of the Warrant Certificates the signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank, or of a major Canadian trust company, or by a medallion signature guarantee from a member recognized under the Signature Medallion Guarantee Program, or from a similar entity in the United States, if this transfer is executed in the United States, or in accordance with industry standards.

In the case of persons signing by agent or attorney or by personal representative(s), the authority of such agent, attorney or representative(s) to sign must be proven to the satisfaction of the Company.

If the Warrant Certificate and the form of subscription are being forwarded by mail, registered mail must be employed.

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of certain outstanding warrants of iANTHUS CAPITAL HOLDINGS, INC. (the "**Company**") by the holder, the holder hereby represents and warrants to the Company that the holder, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the holder is exercising such warrants, satisfies one or more of the following categories of Accredited Investor **(please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies):**

_____ (1) Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Corporation Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Corporation licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act);

_____ (2) Any private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940;

_____ (3) Any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US$5,000,000;

_____ (4) Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

_____ (5) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US$1,000,000 (for the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

_____ (6) A natural person who had annual gross income during each of the last two full calendar years in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) and reasonably expects to have annual gross income in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US$200,000 (or that together with his or her spouse will not remain in excess of US$300,000) for the foreseeable future;

_____ (7) Any director or executive officer of the Company; or

_____ (8) Any entity in which all of the equity owners meet the requirements of at least one of the above categories – if this alternative is selected you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.

[End of Appendix "B"]

APPENDIX "C"

WARRANT TRANSFER FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned holder (the "Transferor") of the within Warrants hereby sells, assigns and transfers to _____ (the "**Transferee**"), _____ Warrants of iAnthus Capital Holdings, Inc. (the "Company") registered in the name of the undersigned on the records of the Company and irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned hereby directs that the Warrants hereby transferred be issued and delivered as follows:

NAME IN FULL	ADDRESS	NUMBER OF WARRANTS

The Transferor hereby certifies that (check either A or B):

_____ (A) the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), in which case the Transferor has delivered or caused to be delivered by the Transferee a written opinion of U.S. legal counsel of recognized standing in form and substance reasonably satisfactory to the Company to the effect that the transfer of the Warrants is exempt from the registration requirements of the U.S. Securities Act; or

_____ (B) the transfer of the Warrants is being made in reliance on Rule 904 of Regulation S under the U.S. Securities Act, and certifies that:

(1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor";

(2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) neither the seller nor any affiliate of the seller nor any person acting on their behalf engaged in any directed selling efforts in connection with the offer and sale of the Warrants;

(4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Warrants are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act);

(5) the Transferor does not intend to replace the securities sold in reliance on Rule904 of the U.S. Securities Act with fungible unrestricted securities; and

(6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____ day of _____, 20_____.

Signature of Warrant Holder

Signature Guaranteed

INSTRUCTIONS FOR TRANSFER

Signature of the Warrant Holder must be the signature of the person appearing on the face of this Warrant Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.

The signature on the Transfer Form must be guaranteed by a chartered bank or trust company, or a member firm of an approved signature guarantee medallion program. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The Warrants will only be transferable in accordance with applicable laws. The Warrants and the common shares issuable upon exercise thereof have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be transferred to or for the account or benefit of a U.S. person or any person in the United States without registration under the U.S. Securities Act and applicable state securities laws, or compliance with the requirements of an exemption from registration. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

[End of Appendix "C"]

APPENDIX "D"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Registrar and transfer agent for the shares of iAnthus Capital Holdings, Inc. (the "**Issuer**")

The undersigned (A) acknowledges that the sale of the _____ common shares in the capital of the Issuer represented by certificate number _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer (except solely by virtue of being an officer or director of the Issuer) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

_____

Signature of Individual (if Seller **is** an individual)

_____

Authorized signatory (if Seller is **not** an individual)

_____

Name of Seller (**please print**)

_____

Name of authorized signatory (**please print**)

_____

Official capacity of authorized signatory (**print print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____ (the "Seller") contained in the foregoing Declaration for Removal of Legend, dated _____, 20__, with regard to the sale, for such Seller's account, of _____ common shares (the "Securities") of the Issuer represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) (no offer to sell Securities was made to a person in the United States;

(2) the sale of the Securities was executed in, on or through the facilities of the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Issuer shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

Per: _____
Authorized Signatory

[End of Appendix "D"]

EXHIBIT "B"

FORM OF EXCHANGE WARRANT CERTIFICATE

[See Next Page]

EXCHANGE WARRANT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●][1].

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE AFTER 5:00 P.M. (TORONTO TIME) ON MAY 14, 2021, SUBJECT TO THE TERMS AND CONDITIONS HEREIN, UNLESS HOLDER HAS EXERCISED ITS RIGHTS PRIOR THERETO.

IANTHUS CAPITAL HOLDINGS, INC.

(Incorporated under the laws of British Columbia)

Certificate Number: [●]
[●] Warrants to Purchase

[●] Shares

[1] Tranche 2: January 31, 2020. Tranche 3 and Tranche 4, if applicable: insert the date that is four months and a date after the issuance date.

EXCHANGE WARRANTS

THIS IS TO CERTIFY THAT, for value received, [●], a limited partnership established under the laws of Delaware, or its lawful assignee (the "**Holder**") is entitled to subscribe for and purchase a number of fully paid and non-assessable Shares (as defined in Schedule "A" attached hereto) (collectively the "**Shares**" and individually, a "**Share**") in the capital of iAnthus Capital Holdings, Inc. (the "**Company**") equal to the Principal Amount plus, at the Holder's option, all accrued and unpaid Interest with respect to such Principal Amount and any unpaid fees, into Shares, at a price of US$[●][2] per Share at any time on or before 5:00 p.m. Toronto time on May 14, 2021 (the "**Expiry Date**"), subject to the right of the Company, in its sole discretion, to extend the Expiry Date for an additional 12 months as provided for herein. This Warrant is subject to the provisions of the Terms and Conditions attached hereto as Schedule "A" and forming part hereof.

The rights represented by this Warrant Certificate may be exercised by the Holder, in whole or in part (but not as to a fraction of a Share) by surrender of this Warrant Certificate (properly endorsed as required), together with a Warrant Exercise Agreement in the form attached hereto as Appendix "B", and a Debt Assignment Agreement in the form attached hereto as Appendix "E", each duly completed and executed, to the Company at 420 Lexington Avenue, Suite 414, New York, New York 10170, United States (Attention: Chief Financial Officer), or such other address as the Company may from time to time in writing direct. The Warrant Shares so purchased shall be deemed to be issued to the holder hereof or such holder's designee, as the record owner of such shares, as of the close of business on the date on which the duly executed Exercise Agreement shall have been delivered to the Company (or such later date as may be specified in the Exercise Agreement). Certificates for the Warrant Shares so purchased, representing the aggregate number of shares specified in the Exercise Agreement, shall be delivered to the holder hereof within a reasonable time, not exceeding three Business Days, after this Warrant shall have been so exercised. The certificate so delivered shall be in such denominations as may be requested by the holder hereof and shall be registered in the name of such holder or such other name as shall be designated by such holder. If this Warrant shall have been exercised only in part, then, unless this Warrant has expired, the Company shall, at its expense, at the time of delivery of such certificate, deliver to the holder a new Warrant representing the number of shares with respect to which this Warrant shall not then have been exercised.

Notwithstanding anything contained in this Warrant Certificate or the attached Schedule "A", the Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

This Warrant Certificate has been issued pursuant to the terms of the Debenture Purchase Agreement (as defined in Schedule "A" attached hereto). Capitalized terms used but not defined herein, shall have the meanings ascribed thereto in the Debenture Purchase Agreement.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be executed by its duly authorized officer, this ___ day of September, 2019.

iANTHUS CAPITAL HOLDINGS, INC.

Per: _____
Authorized Signatory

2 Tranche 2: US$1.89. For Tranche 3 and Tranche 4, if applicable, use 125% of the lesser of: (i) the closing market price of iAnthus' common shares as quoted on the CSE on September 27, 2019 and (ii) the closing market price of iAnthus' common shares as quoted on the CSE the Business Day immediately prior to the Tranche 3 Funding Date or the Tranche 4 Funding Date, respectively.

SCHEDULE "A"

TERMS AND CONDITIONS
ATTACHED TO COMMON SHARE EXCHANGE WARRANTS
ISSUED BY iANTHUS CAPITAL HOLDINGS, INC.
(the "**Company**")

Each Warrant of the Company, whether single or part of a series, is subject to these Terms and Conditions as they were at the date of issue of the Warrant.

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

Section 1.1 In these Terms and Conditions, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

(a) "**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the, City of Vancouver, British Columbia, City of Toronto, Ontario or New York, New York

(b) "**Company**" means iAnthus Capital Holdings, Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) and includes any successor corporations;

(c) "**Company's auditor**" means the accountant duly appointed as auditor of the Company;

(d) "**Debt Assignment**" has the ascribed thereto in Section 4.6;

(e) "**Debt Assignment Agreement**" means Appendix "E" hereof;

(f) "**Debenture Purchase Agreement**" means the Secured Debenture Purchase Agreement among the Lender, the Issuer, and the Company dated May 14, 2018, as amended by that certain Amendment dated March 4, 2019 and that certain Second Amendment to Secured Debenture Purchase Agreement and Debentures dated as of the date hereof, and as further amended, restated, supplemented or otherwise modified from time to time, pursuant to which the Lender has purchased the Senior Secured Debentures;

(g) "**Exercise Date**" means a day on which this Warrant is exercised in whole or in part pursuant to Section 4.1;

(h) "**Exercise Price**" means US$[●][3] per Share or as may be adjusted pursuant to Section 5;

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3 Tranche 2: US$1.89. For Tranche 3 and Tranche 4, if applicable, use 125% of the lesser of: (i) the closing market price of iAnthus' common shares as quoted on the CSE on September 27, 2019 and (ii) the closing market price of iAnthus' common shares as quoted on the CSE the Business Day immediately prior to the Tranche 3 Funding Date or the Tranche 4 Funding Date, respectively

(i) "**Expiry Date**" means May 14, 2021, subject to extension in accordance with Section 4.8;

(j) "**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;

(k) "**Holder**" means the registered holder of a Warrant;

(l) "**Issuer**" means the Company's wholly-owned subsidiary, iAnthus Capital Management, LLC;

(m) "**Lender**" shall have the meaning ascribed thereto in the Debenture Purchase Agreement;

(n) "**person**" means an individual, corporation, partnership, trustee or any unincorporated organization, and words importing persons have a similar meaning;

(o) "**Principal Amount**" has the meaning ascribed thereto in the Debenture Purchase Agreement;

(p) "**Senior Secured Debentures**" means the 13% senior secured debentures, dated [●][4], of the Issuer issued to the Lender in the aggregate principal amount of [●][5], in accordance with the terms of the Debenture Purchase Agreement;

(q) "**Shares**" or "**shares**" means the common shares in the capital of the Company as constituted at the date of issue of a Warrant and any shares resulting from any event referred to in Part 5;

(r) "**Warrant**" means a warrant as evidenced by the certificate to subscribe for and purchase a number of Shares equal to the Principal Amount plus any unpaid fees, plus, at the Holder's option, all accrued and unpaid Interest with respect to such Principal Amount, into Shares, at a price of US$[●][6] per Share;

(s) "**Warrant Certificate**" means this certificate evidencing the Warrant; and

(t) "**Warrant Exercise Agreement**" means Appendix "B" hereof.

Interpretation

Section 1.2 In these Terms and Conditions, except as otherwise expressly provided herein:

(a) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Warrant Certificate as a whole and not to any particular Part, clause, subclause or other subdivision;

(b) a reference to a Part or a Section means a Part or a Section, as applicable, of these Terms and Conditions;

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4 Tranche 2: September 30, 2019. Tranche 3, if applicable: the Tranche 3 Funding Date. Tranche 4, if applicable: the Tranche 4 Funding Date.

5 Tranche 2: US$20,000,000. Tranche 3, if applicable: US$35,000,000. Tranche 4, if applicable: US$30,500,000.

6 Tranche 2: US$1.89. For Tranche 3 and Tranche 4, if applicable, use 125% of the lesser of: (i) the closing market price of iAnthus' common shares as quoted on the CSE on September 27, 2019 and (ii) the closing market price of iAnthus' common shares as quoted on the CSE the Business Day immediately prior to the Tranche 3 Funding Date or the Tranche 4 Funding Date, respectively.

(c) the headings are for convenience only, do not form a part of these Terms and Conditions and are not intended to interpret, define or limit the scope, extent or intent of these Terms and Conditions or any of its provisions;

(d) all dollar amounts referred to herein are expressed in United States dollars funds;

(e) time will be of the essence hereof; and

(f) words importing the singular number include the plural and vice versa, and words importing the masculine gender include feminine and neuter genders.

Applicable Law

Section 1.3 The Warrants will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto and will be treated in all respects as legal contracts under the laws of the Province of British Columbia.

PART 2
ISSUE OF WARRANTS

Additional Warrants

Section 2.1 Subject to the Debenture Purchase Agreement, the Company may at any time and from time to time issue Warrants or grant options or similar rights to purchase shares of the Company.

Issue in Substitution for Lost Warrants

Section 2.2 In case a Warrant Certificate will become mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, and in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the Warrants represented by such substituted Warrant Certificate will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants of the same issue. The Company may charge a reasonable fee for the issuance and delivery of a new Warrant Certificate.

Section 2.3 The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and in the case of loss, destruction or theft furnish to the Company such evidence of ownership, and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its reasonable discretion; and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion and will pay the reasonable charges of the Company in connection therewith.

Holder not a Shareholder

Section 2.4 The holding of a Warrant alone will not constitute the Holder a shareholder of the Company with respect to the Shares issuable upon exercise of such Warrant, nor entitle the Holder to any right or interest in respect thereof, except as expressly provided in this Warrant Certificate.

Securities Law Exemption

Section 2.5 The Holder acknowledges and agrees that the Warrants and any Shares issued pursuant to the exercise of any Warrants have been or will be issued only on a "private placement" basis and that the Company has no obligation to, and does not intend to, file any prospectus or registration statement in any jurisdiction in order to qualify any of such Warrants and/or Shares for resale to the public.

PART 3
OWNERSHIP

Transfer of Warrants

Section 3.1 Subject to applicable law, the Warrants are transferable by the Holder completing and submitting to the Company a completed and duly executed Warrant Transfer Form.

Ownership of Warrants

Section 3.2 The Company may deem and treat the Holder of a Warrant as the absolute owner of such Warrant for all purposes and will not be affected by any notice or knowledge to the contrary.

Notice to Holder

Section 3.3 Unless herein otherwise expressly provided, any notice to be given hereunder to a Holder will be deemed to be validly given, if mailed to the address of the Holder as set out on the Warrant Certificate or the applicable Warrant Transfer Form. Any notice so given will be deemed to have been received five days from the date of mailing to the Holder or any market intermediary then holding the Warrants of the Holder in any trust account.

PART 4
EXERCISE OF WARRANTS

Method of Exercise of Warrants

Section 4.1 The right to purchase Shares conferred by a Warrant may be exercised by the Holder surrendering the Warrant Certificate, together with a duly completed and executed Warrant Exercise Agreement and Debt Assignment Agreement, to the Company at the address as set out on the Warrant Certificate.

Effect of Exercise of Warrants

Section 4.2 Upon surrender and payment as aforesaid, the shares so subscribed for will be deemed to have been issued, and the Holder will be deemed to have become the holder of such shares on the date of such surrender and payment, and such shares will be issued at the Exercise Price as may be adjusted in the events and in the manner described herein.

Section 4.3 Within two business days after surrender and payment as aforesaid, the Company will forthwith cause to be delivered to the person in whose name the shares are directed to be registered as specified in such Warrant Exercise Agreement, or if no such direction is given, the Holder, a certificate for the appropriate number of shares not exceeding those which the Holder is entitled to purchase pursuant to the Warrant Certificate surrendered.

Subscription for Less than Entitlement

Section 4.4 A Holder may purchase a number of Shares less than the number which the Holder is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of shares less than the number which can be purchased pursuant to a Warrant Certificate, the Holder, upon exercise thereof, will, in addition to certificates representing shares issued on such exercise, and be entitled to receive a new Warrant Certificate in respect of the balance of the shares which the Holder was entitled to purchase pursuant to the surrendered Warrant Certificate but which were not then purchased.

Warrants for Fractions of Shares

Section 4.5 To the extent that a Holder is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate will entitle the Holder to receive a whole number of Shares.

Debt Assignment

Section 4.6 Payment of the Exercise Price for the Shares specified in the Warrant Exercise Agreement shall be paid by way of assignment by the Holder to the Company of such Principal Amount of the Senior Secured Debentures as is equal to the Exercise Price (the "**Debt Assignment**"). In order to effect the Debt Assignment, the Holder shall concurrently deliver with the Exercise Agreement a duly executed debt assignment agreement in the form attached hereto as Appendix "E" (the "**Debt Assignment Agreement**") together with the original of the Senior Secured Debenture, which Debt Assignment Agreement the Company shall countersign and return a signed copy thereof to the Holder within a reasonable time, not exceeding three (3) Business Days, after this Warrant shall have been exercised. Notwithstanding anything contained in this Warrant, the Holder shall not be entitled to exercise this Warrant and purchase Shares for more than the Principal Amount outstanding, plus at the Holder's option, all accrued and unpaid Interest with respect to such Principal Amount any unpaid fees, on the applicable Exercise Date.

Expiration of Warrants

Section 4.7 After the Expiry Date, all rights under the Warrants will wholly cease and terminate, and the Warrants will thereupon be void and of no effect.

Section 4.8 In the event that the Company exercises its right to extend the maturity date of the Senior Secured Debentures by twelve (12) months, such that the Senior Secured Debentures mature on May 14, 2022, the Expiry Date shall automatically be extended for an additional twelve (12) months, such that the rights under this Warrant shall be exercisable until 5:00 p.m. (Toronto time) on May 14, 2022.

Exercise Price

Section 4.9 The price per Share which must be paid to exercise a Warrant is the Exercise Price, as may be adjusted in the events and in the manner described herein.

Class of Securities

Section 4.10 Notwithstanding anything contained in this Schedule "A" or the Warrant Certificate to which this Schedule "A" is attached, the Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

PART 5
ADJUSTMENTS AND ACCELERATION

Section 5.1 Adjustments

(1) Definitions: For the purposes of this Part 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection:

(a) "**Adjustment Period**" means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;

(b) "**Current Market Price**" means the price per share equal to the weighted average price at which the Shares have traded on the Canadian Securities Exchange or a senior stock exchange or, if the Shares are not then listed on such an exchange, in the over-the-counter market, during the period of any twenty (20) consecutive trading days ending not more than five (5) business days before such date;

(c) "**director**" means a director of the Company at the relevant time and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Company as a board or, whenever empowered, action by any committee of the directors of the Company; and

(d) "**trading day**" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2) Adjustments: The Exercise Price and the number of Shares issuable to the Holder pursuant to this Warrant shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If at any **time** during the Adjustment Period the Company shall:

(i) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares;

(iii) subdivide the outstanding Shares into a greater number of Shares; or

(iv) consolidate the outstanding Shares into a lesser number of Shares;

(any of such events in subclauses 5.1(2)(a)(i), 5.1(2)(a)(ii), 5.1(2)(a)(iii) and 5.1(2)(a)(iv) above being herein called a "**Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Share Reorganization and the effective date of the Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Share Reorganization; and

(B) the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Share Reorganization (including in the case of a distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares that would be outstanding had such securities all been exchanged or exercised for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(a) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Share actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Subsection 5.1(2)(a) the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization, if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Share or securities exchangeable for or convertible into Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing:

either: (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered; or (b) the product of the exchange, exercise or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be; by

the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares into which such securities may be exchanged, exercised or converted).

Any Share owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(b) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this Subsection 5.1(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the Share of:

(i) shares of the Company of any class other than Shares;

(ii) +rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares (other than rights, options or warrants pursuant to which holders of Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares at a price per share (or in the case of securities exchangeable or exercisable for or convertible into Shares at an exchange, exercise or conversion price per share on the record date for the issue of such securities) of at least 95% of the Current Market Price of the Shares on such record date);

(iii) evidences of indebtedness of the Company; or

(iv) any property or assets of the Company;

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date, and

the fair value, as determined by the directors of the Company, to the holders of Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(c) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares referred to in this Subsection 5.1(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there shall occur:

(i) a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Share Reorganization;

(ii) a consolidation, amalgamation or merger of the Company with or into any other body corporate which results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or

(iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization, the Holder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of this Warrant, in lieu of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of Subsections 5.1(2)(a), 5.1(2)(b), or 5.1(2)(c) hereof, then the number of Shares purchasable upon the subsequent exercise of this Warrant shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to Subsection 5.1(2) of this Warrant.

(a) Subject to the following provisions of this Subsection 5.1(3), any adjustment made pursuant to Subsection 5.1(2) hereof shall be made successively whenever an event referred to therein shall occur.

(b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent in the then Exercise Price; provided, however, that any adjustments which except for the provision of this Subsection 5.1(3)(b) would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of Subsection 5.1(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of this Warrant (except in respect of the Share Reorganization described in Subsection 5.1(2)(a)(iv) hereof or a Capital Reorganization described in Subsection 5.1(2)(d)(ii) hereof).

(c) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of this Warrant shall be made in respect of any event described in Section 5.1 hereof if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Warrant prior to or on the record date or effective date, as the case may be, of such event.

(d) No adjustment in the Exercise Price or in the number of Shares purchasable upon the exercise of this Warrant shall be made pursuant to Subsection 5.1(2) hereof in respect of the issue from time to time of Shares and Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Company and/or any subsidiary of the Company and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Share Reorganization, a Rights Offering nor any other event described in Subsection 5.1(2) hereof.

(e) If at any time during the Adjustment Period the Company shall take any action affecting the Shares, other than an action described in Subsection 5.1(2) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of the Holder, either or both the Exercise Price and the number of Shares purchasable upon exercise of this Warrant shall be adjusted in such manner and at such time by action by the directors, in their sole discretion, as may be equitable in the circumstances; provided, however, that any such adjustment shall be subject to the approval of the applicable recognized stock exchange (if the Shares are then listed on such stock exchange) and any other required regulatory approvals.

(f) If the Company shall set a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of this Warrant shall be required by reason of the setting of such record date.

(g) In any case in which this Warrant shall require that an adjustment shall become effective immediately after a record date for an event referred to in Subsection 5.1(2) hereof, the Company may defer, until the occurrence of such event:

(i) issuing to the Holder, to the extent that this Warrant is exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and the number of Shares purchasable upon the exercise of this Warrant and to such distribution declared with respect to any such additional Shares issuable on this exercise of this Warrant.

(h) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(i) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Shares purchasable upon the exercise of this Warrant, such disputes shall be conclusively determined by a firm of independent chartered accountants mutually acceptable to the Company and the Holder other than the auditors of the Company and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to Subsection 5.1(2) hereof and shall be binding upon the Company and the Holder.

(j) As a condition precedent to the taking of any action which would require an adjustment pursuant to Subsection 5.1(2) hereof, including the Exercise Price and the number or class of Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable shares all of the Shares or other securities which the Holder is entitled to receive in accordance with the provisions of this Warrant Certificate.

(4) Notice: At least seven (7) days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, including the Exercise Price and the number of Shares which are purchasable under this Warrant, the Company shall deliver to the Holder a certificate of the Company specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Subsection 5.1(4) has been given is not then determinable, the Company shall promptly after such adjustment is determinable deliver to the Holder a certificate providing the calculation of such adjustment. The Company hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Company will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such seven (7) day period.

Determination of Adjustments

Section 5.2 If any question will at any time arise with respect to any adjustments to be made under Part 5, such question will be conclusively determined by the Company's auditor, or, if the Company's auditor declines to so act, any other chartered accountant that the Company and the Holder mutually agree upon and designate (acting reasonably) and who will have access to all appropriate records, and such determination will be binding upon the Company and the Holder.

Hold Period

Section 5.3 In addition to the hold period set out on the face page of this warrant, and the restrictions set out in Part 7, the Shares received by the Holder upon the exercise of the Warrants may be subject to a hold period as determined by the policies of the Canadian Securities Exchange and/or other applicable securities laws of stock exchange polices the Company is then listed on.

PART 6
COVENANTS BY THE COMPANY

Reservation of Shares

Section 6.1 The Company will reserve, and there will remain unissued out of its authorized capital, a sufficient number of shares to satisfy the rights of purchase provided for in all Warrants from time to time outstanding.

PART 7
RESTRICTION ON EXERCISE

Section 7.1 Any certificates representing Shares issued upon exercise of the Warrants prior to the date that is four months and one day after the date of issue of the Warrants, and any Shares issued in exchange for such Shares, will bear the following legends:

> **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●]**[7]

provided that at any time subsequent to the date which is four months and one day after the date hereof, any certificate representing any such Shares may be exchanged for a certificate bearing no such legends.

Section 7.2 This Warrant and the Shares to be issued upon its exercise have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This Warrant may not be exercised in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Shares are registered under the U.S. Securities Act and the applicable laws of any such state or (ii) an exemption from such registration requirements is available and, in either case, the Holder has complied with the requirements set forth in the Warrant Exercise Agreement attached hereto as Appendix "B". "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

Section 7.3 Any Shares issued upon exercise of this Warrant in the United States, or to or for the account or benefit of a U.S. person or a person in the United States, will be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act. The certificates representing such Shares, as well as all certificates issued in exchange or in substitution therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act, or applicable state securities laws, will bear, on the face of such certificate, the following legends:

> **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF (C)(1) AND (D) ABOVE, AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO COMPANY IS PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE US. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS.**

7 Tranche 2: January 31, 2020. Tranche 3 and Tranche 4, if applicable: insert the date that is four months and a date after the issuance date

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act ("**Regulation S**") and such Shares were acquired at a time when the Company is a "foreign issuer" as defined in Regulation S, the legends set forth above in this Section 7.3 may be removed by providing a declaration to the registrar and transfer agent of the Company, as set forth in Appendix "D" attached hereto (or in such other form as the Company may prescribe from time to time); and provided, further, that, if the Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legends may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Section 7.4 Notwithstanding any provision to the contrary contained herein, no Shares will be issued pursuant to the exercise of any Warrant if the issuance of such securities would constitute a violation of the securities laws of any applicable jurisdiction, and the certificates evidencing the Shares thereby issued may bear such legend as may, in the opinion of legal counsel to the Company, be necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the Shares of the Company are listed, provided that, at any time, in the opinion of legal counsel to the Company, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at that holder's expense, provides the Company with evidence reasonably satisfactory in form and substance to the Company (which may include an opinion of legal counsel reasonably satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

PART 8
MODIFICATION OF TERMS, SUCCESSORS

Modification of Terms and Conditions for Certain Purposes

Section 8.1 From time to time the Company may, subject to the provisions of the Warrant Certificate, when so directed by the Holder, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel for the Company, are reasonably necessary or advisable in the circumstances;

(b) making such provisions not inconsistent herewith as may be reasonably necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of Warrants on any stock exchange or house;

(c) adding to or altering the provisions hereof in respect of the registration of Warrants making provision for the exchange of Warrant Certificates of different denominations; and making any modification in the form of Warrant Certificates which does not affect the substance thereof;

(d) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(e) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in the Warrants contained as provided hereafter in this Part 8.

The Company may Amalgamate on Certain Terms

Section 8.2 Nothing herein contained will prevent any amalgamation or merger of the Company with or into any other company, or the sale of the property or assets of the Company to any company lawfully entitled to acquire the same; provided however that such amalgamation or merger is permitted under the Debenture Purchase Agreement.

Additional Financings

Section 8.3 Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

[End of Schedule “A”]

APPENDIX "A"
INSTRUCTIONS TO HOLDERS

TO EXERCISE:

To exercise Warrants, the Holder must complete, sign and deliver the Warrant Exercise Agreement, attached as Appendix "B" and deliver the Warrant Certificate(s) to the Company, indicating the number shares to be acquired.

TO TRANSFER:

To transfer Warrants, the Holder must complete, sign and deliver the Warrant Transfer Form, attached as Appendix "C" and deliver the Warrant Certificate(s) to the Company. The Company may require such other certificates or opinions to evidence compliance with applicable securities legislation in Canada.

To transfer Warrants, the Warrant Holder's signature on the Warrant Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

GENERAL:

If forwarding any documents by mail, registered mail must be employed.

If the Warrant Exercise Agreement is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Company.

The address of the Company is:

iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

[End of Appendix "A"]

APPENDIX "B"
WARRANT EXERCISE AGREEMENT

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

The undersigned Holder of the within Warrants hereby subscribes for _____ common shares (the "**Shares**") of iAnthus Capital Holdings, Inc. (the "**Company**") pursuant to the within Warrants on the terms and price specified in the Warrants. This subscription is accompanied by a Debt Assignment Agreement as required under the Exchange Warrant Certificate dated as of [●][8] representing the Warrants.

The Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

The undersigned hereby directs that the Shares be registered as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES

As at the time of exercise hereunder, the undersigned Holder represents, warrants and certifies as follows (check one):

☐ (A) the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and is not exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (as defined in Regulation S), and did not execute or deliver this exercise form in the United States; OR

☐ (B) the undersigned holder is resident in the United States, is a U.S. person, or is exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (a "**U.S. Holder**"), and is an "accredited investor", as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (a "**U.S. Accredited Investor**"), and has completed the U.S. Accredited Investor Status Certificate in the form attached to this exercise form; OR

☐ (C) if the undersigned holder is a U.S. Holder, the undersigned holder has delivered to the Company and the Company's transfer agent an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Company) or such other evidence reasonably satisfactory to the Company to the effect that with respect to the Shares to be delivered upon exercise of the Warrant, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

2 Tranche 2: September 30, 2019. Tranche 3 and Tranche 4, if applicable: insert the applicable funding date.

Note: Certificates representing common shares will not be registered or delivered to an address in the United States unless box (B) or (C) immediately above is checked.

If the undersigned Holder has indicated that the undersigned Holder is a U.S. Accredited Investor by marking box (B) above, the undersigned Holder additionally represents and warrants to the Company that:

(2) the undersigned Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;

(3) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each a "**Beneficial Owner**"), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor; and

(4) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising (as such terms are used in Rule 502 of Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, television, the Internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking box (B) above, the undersigned also acknowledges and agrees that:

(5) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as the undersigned has considered necessary or appropriate in connection with the undersigned's investment decision to acquire the Shares;

(6) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(a) the sale is to the Company;

(b) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(c) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(d) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Company an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company;

(7) the Shares are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom;

(8) the Company has no obligation to register any of the Shares or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(9) the certificates representing the Shares (and any certificates issued in exchange or substitution for the Shares) will bear a legend stating that such securities have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered for sale or sold unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or unless an exemption from such registration requirements is available;

(10) delivery of certificates bearing such a legend may not constitute "good delivery" in settlement of transactions on Canadian stock exchanges or over-the-counter markets, but a new certificate without such a legend will be made available to the undersigned upon provision by the undersigned of a declaration to the registrar and transfer agent (the "**Transfer Agent**") of the Company's common shares in the form attached as Appendix "D" to the Warrant Certificate (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the Transfer Agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Transfer Agent, to the effect that such sale is being made in compliance with Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply; and provided, further, that, if any Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legend may be removed by delivery to the Transfer Agent and the Company of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(11) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(12) there may be material tax consequences to the undersigned of an acquisition or disposition of the Shares;

(13) the Company gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of any Shares; in particular, no determination has been made whether the Company will be a "passive foreign investment company" (commonly known as a "PFIC") within the meaning of Section 1297 of the United States Internal Revenue Code;

(14) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Warrants will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

(15) the Company is not obligated to remain a "foreign issuer"; and

(16) the undersigned consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Warrant Exercise Agreement.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED this _____ day of _____, 20_____.

In the presence of:

Signature of Witness	Signature of Holder
Witnesses's Name	Name and Title of Authorized Signatory for the Holder

INSTRUCTIONS FOR SUBSCRIPTION

The signature to the subscription must correspond in every particular with the name written upon the face of the Warrant Certificate without alteration. If the registration in respect of the certificates representing the Shares to be issued upon exercise of the Warrants differs from the registration of the Warrant Certificates the signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank, or of a major Canadian trust company, or by a medallion signature guarantee from a member recognized under the Signature Medallion Guarantee Program, or from a similar entity in the United States, if this transfer is executed in the United States, or in accordance with industry standards.

In the case of persons signing by agent or attorney or by personal representative(s), the authority of such agent, attorney or representative(s) to sign must be proven to the satisfaction of the Company.

If the Warrant Certificate and the form of subscription are being forwarded by mail, registered mail must be employed.

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of certain outstanding warrants of iANTHUS CAPITAL HOLDINGS, INC. (the "**Company**") by the holder, the holder hereby represents and warrants to the Company that the holder, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the holder is exercising such warrants, satisfies one or more of the following categories of Accredited Investor **(please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies):**

_____ (1) Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Corporation Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Corporation licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act);

_____ (2) Any private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940;

_____ (3) Any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US$5,000,000;

_____ (4) Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

_____ (5) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US$1,000,000 (for the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

_____ (6) A natural person who had annual gross income during each of the last two full calendar years in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) and reasonably expects to have annual gross income in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US$200,000 (or that together with his or her spouse will not remain in excess of US$300,000) for the foreseeable future;

_____ (7) Any director or executive officer of the Company; or

_____ (8) Any entity in which all of the equity owners meet the requirements of at least one of the above categories – if this alternative is selected you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.

[End of Appendix "B"]

APPENDIX "C"
WARRANT TRANSFER FORM

TO iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned holder (the "**Transferor**") of the within Warrants hereby sells, assigns and transfers to _____ (the "**Transferee**"), _____ Warrants of iAnthus Capital Holdings, Inc. (the "**Company**") registered in the name of the undersigned on the records of the Company and irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned hereby directs that the Warrants hereby transferred be issued and delivered as follows:

NAME IN FULL	ADDRESS	NUMBER OF WARRANTS

The Transferor hereby certifies that (check either A or B):

_____ (A) the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), in which case the Transferor has delivered or caused to be delivered by the Transferee a written opinion of U.S. legal counsel of recognized standing in form and substance reasonably satisfactory to the Company to the effect that the transfer of the Warrants is exempt from the registration requirements of the U.S. Securities Act; or

_____ (B) the transfer of the Warrants is being made in reliance on Rule 904 of Regulation S under the U.S. Securities Act, and certifies that:

(1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor";

(2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) neither the seller nor any affiliate of the seller nor any person acting on their behalf engaged in any directed selling efforts in connection with the offer and sale of the Warrants;

(4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Warrants are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act);

(5) the Transferor does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities; and

(6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____ day of _____, 20_____.

Signature of Warrant Holder

Signature Guaranteed

INSTRUCTIONS FOR TRANSFER

Signature of the Warrant Holder must be the signature of the person appearing on the face of this Warrant Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.

The signature on the Transfer Form must be guaranteed by a chartered bank or trust company, or a member firm of an approved signature guarantee medallion program. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The Warrants will only be transferable in accordance with applicable laws. The Warrants and the common shares issuable upon exercise thereof have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be transferred to or for the account or benefit of a U.S. person or any person in the United States without registration under the U.S. Securities Act and applicable state securities laws, or compliance with the requirements of an exemption from registration. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

[End of Appendix "C"]

APPENDIX "D"
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Registrar and transfer agent for the shares of iAnthus Capital Holdings, Inc. (the "**Company**") The undersigned (A) acknowledges that the sale of the _____ common shares in the capital of the Company represented by certificate number _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

_____
Signature of Individual (if Seller **is** an individual)

_____
Authorized signatory (if Seller is **not** an individual)

_____
Name of Seller **(please print)**

_____
Name of authorized signatory **(please print)**

_____
Official capacity of authorized signatory **(print print)**

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____, (the "**Seller**") contained in the foregoing Declaration for Removal of Legend, dated _____, 20____, with regard to the sale, for such Seller's account, of _____ common shares (the "**Securities**") of the Company represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) (no offer to sell Securities was made to a person in the United States;

(2) the sale of the Securities was executed in, on or through the facilities of the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

Per: _____
Authorized Signatory

[End of Appendix "D"]

APPENDIX "E"
DEBT ASSIGNMENT AGREEMENT

THIS AGREEMENT is made as of the _____ day of , _____.

BETWEEN:

[NAME OF WARRANTHOLDER],

(the "**Assignor**"),

-and-

iANTHUS CAPITAL HOLDINGS, INC.

(the "**Company**").

WHEREAS the Assignor as warrantholder wishes to purchase, subject to the provisions of the Exchange Warrant and at the Exercise Price, the Shares from the Company;

AND WHEREAS the Exercise Price for the Shares is to be paid by way of assignment by the Assignor to the Company of such Principal Amount of the Senior Secured Debentures, plus, at the Assignor's option, all accrued and unpaid interest on such Principal Amount and any unpaid fees, as is equal to the Exercise Price;

AND WHEREAS to effect such assignment, the Assignor has delivered this executed Agreement concurrently with the executed Exercise Agreement and an original copy of the Senior Secured Debentures;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and the sum of Cdn.$1.00 now paid by each of the parties to the other and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree and covenant as follows:

(1) **Definitions**.

Unless otherwise defined herein, all capitalized terms used in this debt assignment agreement (this "**Agreement**") shall have the respective meanings ascribed to them in the Exchange Warrant issued by the Company to the Assignor, dated [●][9](the "**Exchange Warrant**").

(2) **Assignment and Assumption.**

In full satisfaction of the Exercise Price, the Assignor hereby assigns and transfers to the Company all of the Assignor's right, title and interest in and to such Principal Amount of the Senior Secured Debentures plus, at the Assignor's option, all accrued and unpaid interest on such Principal Amount and any unpaid fees, as is equal to the Exercise Price, and the Company hereby accepts such assignment and transfer.

9 Tranche 2: September 30, 2019. Tranche 3, if applicable: the Tranche 3 Funding Date. Tranche 4, if applicable: the Tranche 4 Funding Date.

(3) **Paramountcy**.

In the event of any conflict or inconsistency between this Agreement and the provisions of the Exchange Warrant, the provisions of the Exchange Warrant shall prevail.

(4) **Successors and Assigns**.

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and their respective successors and permitted assigns.

(5) **Successors and Assigns**.

Upon the request from time to time of a party, the other party shall execute all such further transfers, assignments, assumptions, notices and other documents, shall obtain all such consents and approvals and shall do or cause to be done all such other acts and things as the requesting party may reasonably consider necessary or advisable to effectively carry out this Agreement.

(6) **Governing Law**.

This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

(7) **Time of the Essence.**

Time shall be of the essence of this Agreement.

(8) **Gender and Number**

Words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender and neuter.

(9) **Headings, Extended Meanings**

The inclusion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular section or other portion hereof and include any agreement supplemental hereto.

[NAME OF WARRANTHOLDER]

By:
Authorized Signatory

EXHIBIT "C"

FORM OF BOARD OBSERVER AGREEMENT

[See Next Page]

EXHIBIT "D"

FORM OF TRANCHE 4 DEBENTURE CERTIFICATE

[See Next Page]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●], 2020.[11] THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED FOR SALE, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

iANTHUS CAPITAL MANAGEMENT, LLC
% SENIOR SECURED DEBENTURE

Date: July [●], 2020

ARTICLE 1
PRINCIPAL AND INTEREST

1.1 **Promise to Pay**

FOR VALUE RECEIVED, the undersigned, **iANTHUS CAPITAL MANAGEMENT, LLC,** a limited liability company formed under the laws of the State of Delaware, (the "**Issuer**" or "**Borrower**") hereby acknowledges itself indebted to and promises to pay to the order of**[●]**, a Delaware limited partnership, and its successors and assigns (the "**Holder**" or "**Lender**") on the earlier of (i) July 13, 2025 and (ii) such earlier date as the Principal Amount (as hereinafter defined) may become payable (the "**Maturity Date**") in accordance with the provisions of this senior secured debenture (the "**Debenture**"), the principal amount of [●] Dollars (USD $[●]) in lawful money of the United States (the "**Principal Amount**") and to accrue interest ("**Interest**") on the Principal Amount outstanding from time to time at the Interest Rate (as hereinafter defined) until the Principal Amount of the Debenture is repaid in full in accordance with its terms. Interest shall accrue at the rate of 8% per annum (the "**Interest Rate**") and shall be calculated on the basis of the actual days elapsed in the period for which such Interest is to accrue and on the basis of a year of 360 days. Interest shall be paid in kind by adding the interest accrued on the Principal Amount on the last day of each fiscal quarter (the first such interest payment date being September 30, 2020), such amount thereafter becoming part of the "Principal Amount" and accruing interest hereunder, and such Interest paid in kind shall be payable on the date that all of the Principal Amount is due and payable pursuant hereto. Any Obligations (as defined in the Debenture Purchase Agreement, defined below) arising out of this Debenture, including without limitation the Principal Amount and the Interest, shall be referred to herein as the "**Obligations**". The Holder acknowledges that this Debenture is one of a series of debentures of substantially identical terms and conditions issued by the Borrower to other holders (with the Holder, collectively, the "**Holders**") under the terms of the Debenture Purchase Agreement.

1 Insert date that is 4 months plus 1 day after date of issuance.

ARTICLE 2
INTERPRETATION AND GENERAL PROVISIONS

2.1 **Interpretation**

Capitalized terms used herein without definition shall have the meaning ascribed thereto in the Second Amended and Restated Secured Debenture Purchase Agreement dated July [●], 2020 among the Lenders party thereto, the Issuer's parent company iAnthus Capital Holdings, Inc. (the "**Company**"), the Issuer and the other Credit Parties party thereto (collectively, and as further amended, restated, supplemented or otherwise modified from time to time, the "**Debenture Purchase Agreement**") providing for, *inter alia*, the purchase of this Debenture by the Holder.

2.2 **Plurality and Gender**

Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and words importing Persons shall include firms and corporations and vice versa.

2.3 **Headings, etc.**

The division of this Debenture into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

2.4 **Day Not a Business Day**

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

2.5 **Currency**

Any reference in this Debenture to "**Dollars**", "**dollars**" or the sign "**$**" shall be deemed to be a reference to lawful money of the United States.

ARTICLE 3
PAYMENT OF PRINCIPAL AND INTEREST

3.1 The Obligations shall be due and payable without deduction or withholding for taxes of any kind or nature, unless specifically contemplated in the Debenture Purchase Agreement, immediately on the earlier of:

(a) the Maturity Date; and

(b) the occurrence and continuance of an Event of Default (defined below).

ARTICLE 4
REDEMPTION

4.1 **No Early Redemption or Prepayment**

Except pursuant to Section 4.3, the Borrower shall not be permitted to redeem, convert or prepay the Debentures prior to July 13, 2023 without the prior written consent of the Lender.

4.2 **Notice of Change of Control Transaction**

Upon the occurrence of any event constituting or reasonably likely to constitute a Change of Control Transaction, the Borrower shall give written notice to the Lender of such Change of Control Transaction at least thirty (30) days or, with the prior written consent of the Lender, as soon as reasonably possible prior to the effective date of any such Change of Control Transaction and another written notice on or immediately after the effective date of such Change of Control Transaction (the "**Change of Control Notice**").

4.3 **Redemption if Change of Control Transaction**

Upon receipt of a Change of Control Notice the Holder shall, in its sole discretion on or before the Change of Control Transaction, have the right to require the Borrower purchase the Debentures at a price equal to 105% of the then outstanding Principal Amount thereof together with accrued and unpaid Interest and fees (the "**Offer Price**"); provided that, if 90% or more of the Principal Amount outstanding on the date of the Change of Control Notice have been tendered for redemption, the Borrower will have the right, in its sole discretion, to redeem all of the outstanding Debentures at the Offer Price.

ARTICLE 5
SECURITY

5.1 As security for the Obligations under this Debenture, the Borrower has granted to the Collateral Agent, for the benefit of the Holder, a security interest over all of the Borrower's present and after acquired personal property in which the Borrower has rights, of whatsoever nature or kind and wherever situate, save and except property specifically excluded in any general secusrity agreement granted by the Borrower to the Collateral Agent, for the benefit of the Holder, which shall rank *pari passe* between and among the Holders (the "Security Interest"). The Security Interest shall be evidenced by one or more general security agreements entered into between the Borrower and the Holder.

5.2 This Debenture is entitled to and shall have the benefit of a guarantee of the Credit Parties of all of the Obligations of the Borrower to the Lender under or in connection with this Debenture in favour of the Lender dated as of the date of this Debenture (the "Guarantees"). As security for such Obligations under the Guarantees, the Credit Parties shall each grant in favour of the Collateral Agent, for the benefit of the Holder, a security interest over all of such Credit Parties' respective present and after acquired personal property in which such Credit Parties have rights, of whatsoever nature or kind and wherever situate which shall rank *pari passe* between and among the Holders. The security granted to the Collateral Agent, for the benefit of the Holder, by each of the Credit Parties shall be evidenced by one or more general security agreements entered into between each of the Credit Parties and the Holder.

ARTICLE 6
EVENTS OF DEFAULT

6.1 The occurrence of an "Event of Default" under the Debenture Purchase Agreement shall constitute an event of default ("Event of Default") hereunder.

6.2 Upon and during the continuation of an Event of Default, the Interest Rate shall increase to sixteen percent (16%) per annum, and the Holder shall be entitled to all of the rights and remedies set forth in the Debenture Purchase Agreement and available to it under applicable law.

ARTICLE 7
COVENANTS

7.1 **Positive Covenants of the Borrower and the Company**

So long as any Obligations remain unpaid, the Borrower and the Company shall perform the covenants and actions as set forth in, and in accordance with, the Debenture Purchase Agreement.

ARTICLE 8
GENERAL MATTERS

8.1 **Amalgamation**

The Company acknowledges that if, to the extent permitted under the Debenture Purchase Agreement, it amalgamates or mergers with any other Person (a) the term "**Company**", where used herein shall extend to and include the amalgamated or surviving Person, and (b) the term, "**Obligations**", where used herein shall extend to and include the Obligations of the Company and the amalgamated Person.

8.2 **No Modification or Waiver**

No modification, variation or amendment of any provision of this Debenture shall be made without the prior written consent of all of the Holders. The Holder shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Holder. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Holder of any right, power and/or **remedy** on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Holder would otherwise have on any future occasion, whether similar in kind or otherwise.

8.3 **Entire Agreement**

This Debenture together with the Debenture Purchase Agreement and Transaction Documents defined therein constitute the entire agreement between the parties and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no other agreements between the parties in connection with the subject matter hereof except as specifically set forth or referred to herein or therein.

8.4 **Performance by Holder**

If the Borrower or the Company fails to perform any of their respective obligations hereunder, the Holder may, after notice to the Borrower, but shall not be obligated to, perform any or all such obligations, and all reasonable costs, charges, expenses, fees, outlays and premiums incurred by the Holder in connection therewith shall be payable by the Borrower forthwith upon demand by the Holder and shall bear interest from the date incurred by the Holder at the Interest Rate then in effect and shall form part of the Obligations. Any such performance by the Holder shall not constitute a waiver by the Holder of any right, power, or privilege under this Debenture.

8.5 **Notice to the Borrower, the Company and the Holder**

Any notice to be given to the Company or the Holder shall be in writing and shall be deemed to be validly given if such notice is delivered personally, by facsimile or electronic transmission or sent by prepaid registered mail, addressed as follows:

(a) if to the Borrower or the Company, at:

iAnthus Capital Management, LLC
c/o iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, NY 10170
USA

Attention:
E-mail:

With a copy to (which shall not constitute notice):

McMillan LLP
Suite 1500, 1055 West Georgia Street
Vancouver, BC V6E 4N7
Canada

Attention: James Munro
Email: james.munro@mcmillan.ca

if to the Holder, at:

c/o Gotham Green Partners, LLC
1437 4th Street, Suite 200
Santa Monica, CA 90401
USA

Attention:
Email:

With a copy to (which shall not constitute notice):
Honigman LLP
2290 First National Building
660 Woodward Ave.
Detroit, MI 48226

Attention: Michael D. DuBay
E-mail: mdubay@honigman.com

Notice of change of address shall also be governed by this Section 8.5. Any notice given by personal delivery shall be deemed to have been given when received by the Borrower or the Holder, and by prepaid registered mail shall be deemed to have been received by the Borrower or the Holder on the third (3rd) Business Day after the day of such mailing and any notice so given by facsimile or electronic transmission on a Business Day before 5:00 p.m. (local time of the recipient) shall be deemed to have been received by the Borrower or the Holder on such Business Day and otherwise shall be deemed to be received the next Business Day.

8.6 **Replacement of Debenture**

If this Debenture shall become mutilated or be lost, stolen or destroyed and in the absence of notice that the Debenture has been acquired by a *bona fide* purchaser, the Borrower in its discretion may issue a new Debenture upon surrender and cancellation of the mutilated Debenture, or, in the event that a Debenture is lost, stolen or destroyed, in lieu of and in substitution for the same, and the substituted Debenture shall be in the form hereof and the Holder shall be entitled to benefits hereof. In case of loss, theft or destruction, the Holder shall furnish to the Borrower such evidence of such loss, theft or destruction as shall be satisfactory to the Borrower in its discretion acting reasonably together with an indemnity in form and substance mutually acceptable to the Borrower and the Holder, each acting reasonably. The applicant shall pay reasonable expenses incidental to the issuance of any such new Debenture.

8.7 **Successors and Assigns**

This Debenture shall enure to the benefit of the Holder and its successors and its assigns and shall be binding upon the Borrower, the Company and their respective successors.

8.8 **Assignment**

No Party may assign its rights or benefits under this Debenture except that the Holder may assign all or any portion of its rights and benefits under this Debenture to any Person or Persons who may purchase all or part of this Debenture, subject to compliance with applicable securities laws.

8.9 **Registered Obligations**

The Borrower shall keep a "register" in which the Borrower shall provide for the recordation of the name and address of, and the amount of outstanding principal and interest owing to, the Holder and its Assignees. The entries in the register, as are approved by Holder, shall be conclusive evidence of the amounts due and owing to the Holder or its Assignees in the absence of manifest error. The Borrower, the Holder, and its Assignees shall treat each Person whose name is recorded in the register pursuant to the terms hereof as the Holder for all purposes. Notwithstanding anything to the contrary contained in this Debenture, the Debenture is a registered obligations and the right, title and interest of the Holder and its Assignees in and to this Debenture shall be transferable only upon notation of such transfer in the register and Borrower shall promptly make such notation in the register upon delivery by Holder or its Assignees of assignment documents to Borrower. This Section 8.9 shall be construed so that the Debenture is at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and any related regulations (and any other relevant or successor provisions of the Code or such regulations). The register shall be available for inspection by the Holder and its Assignees at from time to time upon reasonable prior notice.

8.10 **Invalidity of Provisions**

Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof.

8.11 **Governing Law**

THIS AGREEMENT AND EACH OTHER TRANSACTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REFERENCE TO CONFLICTS OF LAW PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

8.12 **Maximum Rate of Interest**

Notwithstanding any other provisions of this Debenture, if the amount of any interest, premium, fees or other monies or any rate of interest required to be paid under this Debenture or any other document entered into in connection with this Debenture would, but for this provision, contravene any applicable Law, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provisions; and to the extent that any excess has been charged or received the Holder shall apply such excess against the outstanding Obligations and refund to the Borrower any further excess amount.

8.13 **Time of Essence**

Time shall be of the essence of this Debenture and a forbearance by the Holder of the strict application of this provision shall not operate as a continuing or subsequent forbearance.

6.14 **Waiver**

The Borrower hereby waives presentment, notice of dishonor, protest and notice of protest. No failure or delay by the Holder in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right exclude other further exercise thereof or the exercise of any other right.

6.15 **Waver of Trial by Jury**

TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS DEBENTURE HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING HEREUNDER OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY TRANSACTION AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY TO THIS DEBENTURE HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 6.15 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

[Signature Page Follows]

IN WITNESS WHEREOF, the Borrower and the Company have caused this Debenture to be executed by its duly authorized**officer** as of the date first written above.

iANTHUS CAPITAL MANAGEMENT, LLC

Per: _____
Name:
Title:

ACCEPTED AND AGREED as of the date first written above by:

[●]

Per: _____
Name:
Title:

Exhibit 10.3

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is dated as of October 10, 2019 (with an effective date as of January 1, 2019) between iAnthus Capital Holdings, Inc. (the "**Company**"), located at 22 Adelaide Street West, Suite 2740, Toronto, Ontario M5H 4E3, and Julius Kalcevich, an individual ("**Executive**") residing at .

W I T N E S S E T H:

WHEREAS, the Executive has been employed by the Company since 2016 and Company desires to continue to employ Executive as its Chief Financial Officer and Executive desires to be so employed;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the Company agrees to continue to employ Executive, and Executive accepts the continued employment with the Company on the terms and conditions set forth in this Agreement, to which the parties agree as follows:

1. **Term of Agreement**.

The term of the Agreement will be indefinite, commencing on January 1, 2019 ("**Effective Date**") and subject to termination pursuant to the terms and conditions discussed in paragraph 4 below. For all purposes under this Agreement and for the purpose of applicable employment standards legislation, the Executive's start date of employment shall be October 24, 2016.

2. **Duties During Employment**. Executive is being hired under this Agreement to perform services as follows:

(a) **Title and Reporting**. Executive's title shall be Chief Financial Officer. Executive shall report to the Chief Executive Officer.

(b) **Responsibilities**. Executive's duties and responsibilities shall include those commensurate with the goals and objectives agreed upon with the Chief Executive Officer on a regular basis; and such other duties and responsibilities as may be assigned or delegated to Executive from time to time by the Chief Executive Officer and the Board of Directors of the Company (hereinafter the "**Services**"). Executive shall comply with all federal, provincial and local laws, rules and regulations in the performance of Executive's duties under this Agreement.

(c) **Outside Work**. During the Term of this Agreement, Executive agrees to faithfully, diligently, and to the best of Executive's ability, devote Executive's entire business time and best efforts, energies, skills and experience to the discharge of Executive's duties and responsibilities hereunder. Without the consent of the Chief Executive Officer or President, Executive will not take any other employment or be involved in any other business for remuneration. Executive shall not be involved in any activities which would prevent Executive from devoting Executive's full attention and energies to the requirements of Executive's position at the Company, but with the approval of the Board of Directors, not to be unreasonably withheld, may reasonably be engaged in civic and charitable endeavors so long as such civic or charitable endeavors and are not in conflict or competitive with, or adverse to, the interests of the Company.

(d) **US Entry**. Following a Border Services Status Change (as defined below) during the term of this Agreement, the Executive may, in the Executive's sole and unfettered discretion, resign from his role Chief Financial Officer, and continue in the Company's employment in an alternate position that does not require the Executive to enter the United States (an "**Alternate Position**"). In this Alternate Position, the terms of this Agreement will remain the same and continue to apply to this employment relationship, including the Executive's remuneration and benefits. For the purposes of this Agreement, the term "**Border Services Status Change**" means the Executive is refused entry on more than one occasion into the United States after the Effective Date. For greater certainty, placing the Executive in an Alternate Position shall not constitute Good Reason as defined in section 4(e) of this Agreement.

3. Compensation and Benefits.

(a) **Salary**. Executive's annual base salary shall be Two Hundred and Fifty Thousand Dollars and No Cents ($250,000) per annum ("**Base Salary**"), which gross sum shall be less statutory withholding taxes and required deductions. Executive shall be paid in accordance with the Company's standard payroll practices. Executive's Base Salary shall be reviewed in accordance with the Company's policies as from time to time in effect and may be increased but not decreased below the annual rate stated in the foregoing sentence in this Section 3(a).

(b) **Bonus**. In addition to Executive's Base Salary, beginning on January 1, 2020, Executive shall be eligible to receive an annual incentive bonus (the "**Incentive Bonus**") in the sole discretion of the Board of Directors. The applicable criteria for achieving an Incentive Bonus shall be established annually by the Board of Directors, in its sole discretion, as soon as practicable. Any Incentive Bonus earned shall be payable no later than March 15 of the fiscal year after the fiscal year in which it was earned.

(c) **Options**.

(i) Time Vested Options. On February 1 of each calendar year during the term of this Agreement or the first day thereafter that the Company is permitted to make option grants to executives of the Company (each, a "**Grant Date**"), Executive shall receive a grant of stock options ("**Time Vested Options**") to purchase Common Shares ("**Shares**") of the Company pursuant to the iAnthus Capital Holdings, Inc. Amended and Restated Omnibus Incentive Plan (the "**Plan**") with a value (the "**Option Value**") equal to Five Hundred and Fifty Thousand Dollars and No Cents ($550,000.00) per annum, which shall be incentive stock options to the maximum extent permitted. The exercise price of the Time Vested Option shall be equal to the Fair Market Value (as defined in the Plan), shall expire ten years after the Grant Date and shall vest in 12 equal quarterly installments commencing on the last day of the calendar quarter next following the Grant Date and otherwise pursuant to the terms and conditions of the Company's form of Award Agreement (as defined in the Plan). Executive acknowledges that the options to purchase 170,368 Common Shares on August 6, 2019 reflect the Time Vested Option grants for calendar year 2019.

(ii) Performance Options. In addition to the Time Vested Options, Executive shall also be entitled to receive a grant of stock options ("**Performance Options**" and collectively with the Time Vested Options and any previously issued options to the Executive the "Options") to purchase Shares under the Plan. For calendar year 2019, the Performance Options shall have an Option Value equal to Four Hundred Thousand Dollars and No Cents ($400,000.00) per annum and thereafter shall be in such amount as shall be determined by the Company Compensation Committee, in its sole discretion, but in an amount not less than the Option Value of the Performance Options granted during calendar year 2019. Executive acknowledges that the options to purchase 123,904 Common Shares on August 6, 2019 reflect the Performance Option grants for calendar year 2019. The Company shall have reasonable discretion to cancel all, some, or none of the Performance Options depending on whether the Company or Executive has met the annual performance objectives (the "**Performance Objectives**") as established annually by the Company and provided in writing to Executive. The exercise price of the Performance Options shall be equal to the Fair Market Value (as defined in the Plan), shall expire ten years after the Grant Date and shall vest in 12 equal quarterly installments commencing on the last day of the calendar quarter following the Grant Date and otherwise pursuant to the terms and conditions of the Company's form of Award Agreement. The Company shall notify Executive within 30 days of the end of the calendar year regarding the amount, if any, of Executive's Performance Options for that year that have been earned and no Performance Options, whether vested or not, shall be exercisable until the Company has determined whether the Performance Objectives have been met.

(iii) Option Criteria. For purposes of determining the number of Options to be granted to Executive in payment of the Time Vested Options or Performance Options granted to Executive, the Options shall be valued (i.e. "Option Value," based on the date of the grant using the Black-Scholes option pricing model, with the input variables determined by the Company in its sole discretion consistently applied, and shall, to the maximum extent permitted, be incentive stock options. In the event of an inconsistency or conflict between the provisions of this Agreement and the provisions of the Plan or any Option Agreement thereunder with respect to the grant of any Option, the terms of the Plan or any Award Agreement shall control.

(d) **Benefits**.

(i) During the Term, to the extent eligible under the applicable plans and programs, Executive and Executive's family shall be entitled to participate in the Company's medical, dental, and vision plan at no cost to Executive and to such other plans and programs made available to employees of the Company generally. The terms and conditions of Executive's participation in any employee benefit plan or program shall be subject to the terms and conditions of such plan or program, as may be modified by the Company from time to time. Nothing in this Agreement shall preclude the Company from amending or terminating any employee benefit plan or program.

(ii) The Company shall provide a reasonable stipend for a gym membership, so long as Executive submits proof annually that Executive is an active gym member.

(e) **Vacation and Holidays**. Executive shall be entitled to 25 days of paid time off ("**PTO**") each full calendar year (pro-rated to reflect any particle calendar year during which the Executive is employment by the Company pursuant to this agreement), to be taken in accordance with the Company's PTO policies as in effect from time to time. Any PTO shall be taken at the reasonable and mutual convenience of the Company and Executive.

(f) **Other Expenses**. The Company will reimburse Executive for all reasonable expenses in the performance of Executive's duties under the Agreement, in accordance with the Company's standard reimbursement policies. Executive further agrees to comply with the Company's reimbursement procedures and with the conditions for reimbursements as required by the Canada Revenue Agency and the rules and regulations thereunder in connection with the incurring and reporting of business expenses.

4. Termination of Agreement

(a) **Termination For Cause**. The Company shall be entitled to terminate this Agreement and Executive's employment immediately and without notice for "Cause". Termination for "Cause" shall mean termination based upon: (i) the failure by Executive to follow directions of the Board of Directors or Chief Executive Officer in the handling of material matters which are consistent with Executive's position; (ii) the willful or continued engagement by Executive in conduct which is materially injurious to the Company, monetarily or otherwise, including, but not limited to, (a) the disclosure by Executive of material Confidential Information (as defined in paragraph 5(a)(i)), which is inconsistent with Executive's responsibilities set forth in paragraph 2(b), (b) breach by Executive of Executive's fiduciary duties to the Company, (c) violation by Executive of any restrictive covenant, including covenants not to compete, to solicit the Company's clients or employees or disparage the Company or its officers, employees, business partners, affiliates or representatives, as further defined in paragraph 5 below; (iii) a conviction of, a guilty plea or a confession by Executive to an act of fraud, misappropriation or embezzlement or to an indictable offence; (iv) a material violation of the Company's employment policies; (v) a material breach by Executive of this Agreement; (vi) Executive's willful absence from Executive's employment or willful failure or refusal to perform or gross neglect in the performance of Executive's duties or responsibilities hereunder, or (vii) any other act which constitutes cause at common law or disentitles the Executive to notice or severance under applicable employment standards legislation. Where reasonable, prior to termination under subparagraphs (i), (ii), (iv), (v) or (vi) above, the Company will provide Executive with written notice of any act or omission it believes constitutes Cause for termination, including stating the reasons for such belief, and Executive shall have thirty (30) days to cure and/or to present Executive's position regarding the matter. In the event of termination of Executive by the Company for Cause, the Company shall have no obligation to pay Executive anything other than accrued but unpaid salary and vacation pay to the date of termination and any Options (whether Time Vested Options or Performance Options and whether vested or unvested Options) shall terminate and be of no further force and effect; provided, however, that any Options that had vested prior to the date that was 12 months prior to the date of termination shall be exercisable for a period of 90 days following the date of termination for Cause. In addition, the Company shall provide Executive with any benefit continuation rights as required by law. A termination for Cause will be effective upon the Company's delivery to Executive of a written notice advising Executive of Executive's termination, provided that a termination for Cause under subparagraphs (i), (ii), (iv), (v) or (vi), in circumstances where thirty (30) calendar days advance written notice has been given, will be effective on the thirty first (31st) calendar day after Executive's receipt of said notice if the conduct constituting Cause has not, in the Company's opinion, been corrected by Executive.

(b) **Termination In The Event Of Executive's Disability**. If, as a result of the incapacity of Executive due to physical or mental illness as determined by the Company Board of Directors, Executive is unable to perform substantially and continuously the duties assigned to Executive hereunder for a period of one hundred twenty (120) days or more, with or without accommodation being made by the Company, and compliance by the Company with all applicable statutes, the Company may terminate this Agreement for "Disability," upon twenty-one (21) calendar days' notice. In said event, the Company shall be required to pay Executive accrued but unpaid salary and vacation pay to the date of termination and all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable(and shall not be subject to reduction for failure to meet Performance Objectives) and the Company agrees that the Options shall continue to be exercisable until the later of (x) expiration date set forth in the relevant option agreement (without regard to any provision of the Plan or option agreement providing for earlier termination) and (y) five years from the date of termination of Executive's employment. In the event that the Company terminates this Agreement for "Disability" at the beginning of any calendar year and prior to the grant of any Options (whether Time Vested Options or Performance Options) with respect to such calendar year, in connection with any such termination, the Company shall issue to Executive a number of Options with an Option Value equal to the Option Value of the Options granted to Executive in the prior calendar year, which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and the number of Performance Options shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant. In addition, the Company shall provide Executive and Executive's dependents with any benefit continuation rights as required by law and any other entitlements, accrued or otherwise, under applicable employment standards legislation.

(c) **Termination In The Event Of Executive's Death**. This Agreement shall terminate immediately upon the death of Executive. In said event, the Company shall be required to pay Executive's estate all accrued but unpaid salary and vacation pay to the date of termination payable within ten days after the date of termination and all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable and the Company agrees that the Options shall continue to be exercisable until the later of (x) expiration date set forth in the relevant option agreement (without regard to any provision of the Plan or option agreement providing for earlier termination) and (y) five years from the date of the Executive's death. In the event that this Agreement terminates as a result of Executive's death at the beginning of any calendar year and prior to the grant of any Options (whether Time Vested Options or Performance Options) with respect to such calendar year, in connection with any such termination, the Company shall issue to Executive, to the maximum extent permitted by law, a number of Options with an Option Value equal to the Option Value of the Options granted to Executive in the prior calendar year, which shall be fully vested, immediately exercisable (and shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant. In addition, the Company shall provide Executive's dependents with any benefit continuation rights as required by law.

(d) **Termination By Executive Without Good Reason**. Should Executive resign or otherwise leave Executive's employment with the Company during the Term of the Agreement other than for "Good Reason" (as defined in paragraph 4(e) below), Executive must provide the Company with thirty (30) days' advance written notice ("**Transition Notice**"). Provided that Executive provides the required notice, the Company shall be required to pay Executive all accrued and unpaid salary and vacation pay to the date of termination and all issued vested Options (whether Time Vested Options or Performance Options) shall continue to be exercisable but any unvested Options (whether Time Vested Options or Performance Options) shall terminate and be of no further force and effect. Should the Company choose to release Executive during the Transition Notice period, it shall pay to Executive Executive's salary, vacation pay and other benefits for the remainder of the Transition Notice period and any Options that would have vested during the remainder of the Transition Notice period shall also vest but the Company shall have no further obligations to Executive thereafter. In the event Executive resigns without Good Reason and fails to provide Transition Notice, Executive shall be in breach of this Agreement and shall be liable for damages suffered by the Company as a result of Executive's contract breach. Should Executive terminate Executive's employment without Good Reason and without providing Transition Notice, the Company shall be relieved of its obligations to Executive under this Agreement, other than to pay Executive any salary earned to date and any unvested Options (whether Time Based Options or Performance Based Options) shall terminate and be of no further force and effect.

(e) **Termination By Executive For Good Reason**. Termination by Executive for "Good Reason" shall mean, termination by Executive because of: (i) a diminution in Executive's Base Salary or the Company's failure to provide Executive during any calendar year with a grant of Time Vesting Options or Performance Options in an amount at least equal to the value of Time Vesting Options or Performance Options, respectively, granted during to Executive during calendar year 2019 or the Company otherwise fails to provide the other the Company's failure to provide Executive with the compensation and benefits as set forth in this Agreement; (ii) a material diminution in Executive's title, authority, responsibilities, duties or status without Executive's consent, which significantly alters the nature of the position for which Executive was hired; or (iii) any material breach by the Company of any provision of this Agreement which is not under Executive's control. Executive shall provide the Company with thirty (30) days' written notice of Executive's intentions to terminate Executive's employment for Good Reason. The Company shall have the right to cure any alleged failure to comply with its obligations hereunder within this thirty (30) day period and, if cured, Executive's notice of termination for Good Reason shall be deemed rescinded.

(f) **Entitlements Upon Termination of Executive Without Cause Or By Executive With Good Reason** Should the Company terminate Executive's employment without Cause, it shall provide Executive with the notice that it deems reasonable under the circumstances. In the event the Company terminates Executive's employment without Cause or Executive terminates Executive's employment with the Company for Good Reason, the Company shall pay Executive any accrued but unpaid salary and vacation pay to the date of termination and all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable and the Company agrees to extend the period during which the Options may be exercisable: (x) for a period of one year following the date of termination of employment, if Executive has been employed by the Company or any predecessors for less than three (3) years, and (y) until later of (A) expiration date set forth in the relevant Award Agreement (without regard to any provision of the Plan or Award Agreement providing for earlier termination) and (B) five years from the date of termination of Executive's employment, if Executive has been employed by the Company or any predecessors for at least three (3) years. In addition, if Executive has been employed by the Company or any predecessors for at least three (3) years, the Company also shall issue to Executive (the "**Additional Option Grant**") such additional number of Options with an Option Value equal to the Option Value of the Options that were issued to Executive during the preceding twelve (12) months (or if no Options have been granted within the previous twelve (12) months, then the most recent Option grant), which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant. The Company shall additionally pay to Executive in cash, an amount equal to Executive's Base Salary for one year following Executive's termination date (the "**Severance Payment Period**") plus the amount of any Incentive Bonus paid in cash to Executive in the previous twelve (12) months (such payment, the "**Severance Payment**"). The payment by the Company of the Severance Payment shall be paid out in equal installments for the remainder of the Severance Payment Period on regular Company pay days, and such payments shall be inclusive of any entitlement the Executive has to termination pay or severance pay under applicable employment standards legislation. Additionally, to the extent permitted by applicable plans and policies, the Company shall continue the Executive's participation in its group insured benefits program for the duration of the Severance Payment Period, and any such benefits that cannot be continued will be continued for the statutory notice period required under applicable employment standards legislation. The Company shall have no further obligation to continue the Executive's participation in its group insured benefits program if Executive accepts employment with a new employer that offers Executive medical benefits. In order to be entitled to the accelerate vesting of the Options and to receive the Additional Option Grants, Severance Payment and benefit continuation under this paragraph, Executive must (i) sign a release of all claims against the Company and its officers, representatives and employees and a covenant not to sue, and (ii) at the discretion of the Company, either continue to work for the Company for a reasonable transition period and/or provide reasonable outside transition assistance as requested for 90 days after Executive's employment cessation. The Severance Payment shall be subject to all required statutory withholdings and deductions. Executive acknowledges that the severance benefits detailed herein (or notice payments as specified in other paragraphs of this Agreement), is further and valid consideration for Executive's covenants not to: (i) disclose Confidential Information, as defined in paragraph 5(a)(i) and restricted in paragraph 5(b) below; (ii) compete by operating, managing, or being otherwise employed by or associated with a Competitive Business as defined in paragraph 5(c) below; (iii) solicit the Company's customers, former customers or prospective customers, as defined and provided for in paragraph 5(c) below; (iv) solicit the Company's employees, vendors or other business associates to cease doing business with the Company; or (v) disparage the Company or its employees, officers and representatives, as provided for in paragraph 5 (d) below, and that a breach of the Executive of those covenants shall give the Company the right to cease any ongoing payments or benefits provided to Executive following the date of termination.

(g) **Effect of Termination By Company as a Result of a Change in Control**. In the event the Company terminates Executive's employment without Cause or the Executive terminates employment for Good Reason during the first twelve (12) months after a "Change in Control" (defined in paragraph 4(g)(i) below), the Company shall pay Executive any accrued but unpaid salary and vacation pay to the date of termination, payable within ten days after the date of termination. The Company shall additionally pay to Executive in cash an amount equal to Executive's Base Salary Compensation for two years following Executive's termination date (the "**Change in Control Severance Payment Period**" and such payment, the "**Change in Control Severance Payment**"). The payment by the Company of Executive's Change in Control Severance Payment shall be paid out in a lump sum within ten days after the date of termination. In addition, all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable (and shall not be subject to reduction for failure to meet Performance Objectives) and the Company agrees that the Options shall continue to be exercisable until the later of (x) expiration date set forth in the relevant option agreement (without regard to any provision of the Plan or option agreement providing for earlier termination) and (y) five years from the date of termination of Executive's employment. In addition, (x) if Executive has been employed by the Company or any predecessors for less than three (3) years, the Company also shall issue to Executive such additional number of Options with an Option Value equal to the Option Value of the Options that were issued to Executive during the preceding 12 months (or, in the case of options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and the number of Performance Options shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant and (y) if Executive has been employed by the Company or any predecessors for at least three (3) years, the Company also shall issue to Executive such additional number of Options with an Option Value equal to two times the Option Value of the Options that were issued to Executive during the preceding 12 months (or, in the case of options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and the number of Performance Options shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant (such additional option grant, herein referred to as (the "**Additional Change in Control Option Grant**"). Additionally, to the extent permitted by applicable plans and policies, the Company shall continue the Executive's participation in its group insured benefits program for the duration of the Severance Payment Period, and any such benefits that cannot be continued will be continued for the statutory notice period required under applicable employment standards legislation. In order to be entitled to the accelerated vesting of the Options and to receive the Additional Change in Control Option Grants, Change in Control Severance Payment and benefit continuation under this paragraph, Executive must (i) sign a release of all claims against the Company and its officers, representatives and employees and a covenant not to sue, and (ii) at the discretion of the Company, either continue to work for the Company for a reasonable transition period and/or provide reasonable outside transition assistance as requested for 90 days after Executive's employment cessation. The Change in Control Severance Payment shall be subject to all required statutory withholdings and deductions. Executive acknowledges that the severance benefits detailed herein (or notice payments as specified in other paragraphs of this Agreement), is further and valid consideration for Executive's covenants not to: (i) disclose Confidential Information, as defined in paragraph 5(a)(i) and restricted in paragraph 5(b) below; (ii) compete by operating, managing, or being otherwise employed by or associated with a Competitive Business as defined in paragraph 5(c) below; (iii) solicit the Company's customers, former customers or prospective customers, as defined and provided for in paragraph 5(c) below; (iv) solicit the Company's employees, vendors or other business associates to cease doing business with the Company; or (v) disparage the Company or its employees, officers and representatives, as provided for in paragraph 5(d) below and that a breach of the Executive of those covenants shall give the Company the right to cease any ongoing payments or benefits provided to Executive following the date of termination.

(i) The term "Change of Control" means the occurrence of

(1) any individual, entity or group of individuals or entities acting jointly or in concert (other than the Company, its affiliates or an employee benefit plan or trust maintained by the Company or its Affiliates, or any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of shares of the Company) acquiring beneficial ownership, directly or indirectly, of more than 50% of the combined voting power of the Company's then outstanding securities (excluding any person who becomes such a beneficial owner in connection with a transaction described in paragraph (ii) below);

(2) the consummation of a merger or consolidation of the Company or any direct or indirect Affiliate of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power or the total fair market value of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (other than those covered by the exceptions in paragraph (i) of this definition) acquires more than 50% of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control of the Company;

(3) a complete liquidation or dissolution of the Company or the consummation of any sale, lease, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of the Company; other than such liquidation, sale or disposition to a person or persons who beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding voting securities of the Company at the time of the sale; or

(4) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board of Directors.

(ii) The term "**Affiliate**" means, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

(iii) The term "**person**" includes an individual, partnership, joint venture, body corporate, trust or other entity or any other form of enterprise or business organization.

(iv) For purposes of this Section 4(g), (x) the term "Adjusted Base Salary Compensation" means such percentage (not to exceed 50%) of Executive's total compensation (being the aggregate value of Base Salary, Incentive Bonus and the Option Value of the Time Vested and Performance Options) that the Executive received during the preceding 12 months (or, in the case of the Options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) ("Total Compensation"), that Executive elects to receive in the form of cash rather than Option as his or her Change in Control Severance Payment and (y) the term "Adjusted Option Value" means such percentage (equal to 100% less the percentage selected by Executive under clause (x) above) of Executive's total compensation that the Executive received during the preceding twelve (12) months (or, in the case of the Options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) ("Total Compensation"), that Executive elects to receive in the form of Options rather than cash as his or her Additional Change in Control Option Grant. Executive shall notify the Company of his or her allocation selection within five (5) days of the date of termination after a Change of Control and in the event that Executive does not notify the Company within such five (5) day period, the Change in Control Severance Payment and Change in Control Option Grant shall be based on the percentage allocation of Total Compensation that the Executive received during the preceding twelve (12) months.

5. Confidentiality and Restrictive Covenants.

(a) **Executive Acknowledges**:

(i) the business of cannabis, in which the Company is engaged, is intensely competitive and that Executive's employment by the Company will require that Executive have access to and knowledge of confidential information of the Company, including, but not limited to, their plans for product expansion, marketing, financial information, profit margins, customer relationships, industry contacts, vendor and management contracts and other services, plans, rules and regulations, personnel information, and other trade secrets of the Company, all of which are of vital importance to the success of their business (collectively, "**Confidential Information**");

(ii) direct or indirect disclosure of any Confidential Information, particularly information regarding the Company's plans and strategies, financial information, profit margins or customer relationships would place the Company at a serious competitive disadvantage and would do serious damage, financial and otherwise, to its business;

(iii) by Executive's training, experience, expertise and access to the Company's customers, clients, investors, consultants, strategic partners, employees and affiliates, Executive's services to the Company are special and unique; and

(iv) if Executive leaves the Company's employ to work for a competitive business as defined below, in any capacity, or solicits its customers, business partners, vendors or employees to cease doing business during the restrictive periods, it would cause the Company irreparable harm.

(b) **Covenant Against Disclosure**. Executive covenants and agrees that all Confidential Information relating to the business and services of the Company, any business partner, affiliate or customer of the same, shall be and remain the sole property and confidential business information of each of them, free of any rights of Executive. Executive further agrees not to make any use of the Confidential Information and not to disclose the information to third parties, without the prior written consent of the Company, except in the performance of Executive's duties hereunder or where disclosure is related to an investigation or action by the Securities and Exchange Commission or required by any other governmental agency that directs Executive to refrain from notifying the Company. The obligations of Executive under this Paragraph 5(b) shall survive any termination of this Agreement. Executive agrees that, upon any termination of Executive's employment with the Company, for any reason, all Confidential Information in Executive's possession, directly or indirectly, that is in written or other tangible form (together with all duplicates thereof) will forthwith be returned to the Company or, at the Company's request shall be destroyed, and in either case will not be retained by Executive or furnished to any third party, either by sample, facsimile, film, audio, computer or video cassette, electronic data, verbal communication or any other means of communication.

(c) **Non-Competition**. As consideration for the enhanced benefits and provisions of this Agreement, including the enhanced severance benefits in paragraphs 4(f) and 4(g) above, Executive agrees that Executive shall not, during the Term of this Agreement and until the date which is twelve (12) months after the date of the termination of Executive's employment hereunder for any reason (whether lawful or unlawful), directly or indirectly, in the City of Toronto be an owner of or involved in the management or operations of or be employed by or affiliated as an independent contractor or on any other basis with a "Competitive Business. "For purposes of this Agreement, the term "Competitive Business" means any person or entity which is in the business of growing, producing, extracting and selling a wide variety of cannabis products in multiple states. For the removal of doubt, the term "Competitive Business" is meant to specifically include publicly-traded and privately-held "multistate operators" with which the Company is commonly grouped by industry analysts, but shall not include businesses that (i) operate in three or fewer U.S. states or Canadian provinces; or (ii) businesses that operate in multiple U.S. states or Canadian provinces but primarily through license agreements or similar arrangements but do not directly cultivate, produce, extract and sell a wide variety of cannabis products itself in at least four U. S. states or Canadian provinces. This paragraph shall not be applicable to Executive's ownership of not more than 3% of the total outstanding stock of a publicly held company, or any activity engaged in by Executive with the prior written approval of the Chief Executive Officer or Board of Directors.

(d) **Non-Solicitation**. As consideration for the enhanced benefits and provisions of this Agreement, including the enhanced severance benefits in paragraphs 4(f) and 4(g) above, Executive agrees that Executive shall not, during the Term of this Agreement and until the date which is twelve (12) months after the date of the termination of Executive's employment hereunder for any reason (whether lawful or unlawful), directly or indirectly, solicit any current, former or potential customer of the Company, whether on the Executive's own behalf or on behalf of any another person, firm, company, business or venture involved in a Competitive Business. For purposes of this provision, the term "customer" means any entity or person who bought products or services from the Company, or who was approached by the Company for the purposes of the sale of product or services, during the Executive's employment or, in the case of an act of solicitation following the termination of the Executive's employment, within twelve (12) months of the date the Executive's employment terminates and (i) with whom the Executive dealt in connection with the Executive's employment with the Company or, (ii) about whom the Executive received Confidential Information.

(e) **Further Covenants Against Interference With the Company's Business**. As consideration for the enhanced benefits and provisions of this Agreement, including the enhanced severance benefits in paragraphs 4(f) and 4(g) above, Executive agrees that during Executive's employment and until the date which is twelve (12) months after the date of the termination of Executive's employment hereunder for any reason (whether lawful or unlawful), Executive will not, directly or indirectly, take any of the following actions and Executive will use Executive's best efforts to ensure that any business Executive may subsequently work for or be affiliated with does not take any of the following actions:

(i) solicit, persuade or attempt to persuade any employee of the Company to leave the employ of the Company;

(ii) solicit, persuade or attempt to persuade any customer, vendor or other business associate of the Company to cease doing business with the Company or to reduce the amount of business it does with the Company; or

(iii) disparage the Company, its current, past or future officers, employees, representatives, customers, vendors or business affiliates or any specific actions which the Company or its past or future officers, employees, representatives, customers, vendors or business affiliates may take.

(f) **Remedy for Breach**. In the event Executive breaches the provisions of this paragraph 5, the Company shall have the right to enforce these provisions by court action for injunctive or other relief, without the posting of a bond, and shall have the benefit of the full period of any restrictive covenant in issue. Should the Company commence legal action to enforce the provisions of this paragraph 5, in addition to injunctive or other equitable relief, the Company shall be entitled to damages at law and, if successful, to reimbursement by Executive of its reasonable attorneys' fees and expenses.

(g) **Acknowledgment by Executive**. Executive has carefully considered the nature and extent of the restrictions upon Executive and the rights and remedies conferred upon the Company under this Agreement, and hereby acknowledges and agrees that the same are reasonable with respect to scope of substantive coverage, duration and geographic area, are designed to and are absolutely necessary to protect the legitimate business interests of the Company, and do not confer benefits upon Company disproportionate to the detriment of Executive. Executive acknowledges that the Company has given Executive, and Executive has received and/or will continue to receive full and adequate consideration for the promises made by Executive and the restrictions contained in this paragraph 5.

(h) **Survival**. This paragraph 5 shall survive the termination of this Agreement.

6. Inventions, Patents and Copyrights1.

(a) **Assignments and Waivers**.

Executive agrees that Executive will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assigns to the Company, or its designee, all Executive's right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements or trade secrets, whether or not patentable or registrable under copyright, or similar laws, which Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, from the date Executive's employment with the Company commenced until Executive`s cessation of employment with the Company (collectively referred to as "**Inventions**"), including any and all intellectual property rights inherent in the Inventions and appurtenant thereto including, without limitation, all patent rights, copyrights, trademarks, know-how and trade secrets (collectively referred to as "**Intellectual Property Rights**"). Executive further acknowledges that all original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment ("**Works of Authorship** ") and which are protectable by copyright are, for the purposes of United States copyright law, "works made for hire," as that term is defined in the United States Copyright Act and, for the purposes of Canadian copyright law, are works made in the course of employment pursuant to s. 13(3) of the Copyright Act (Canada). Executive hereby waives, in favour of Company and any of Company's designees, any and all moral rights that Executive has in any Works of Authorship.

(b) **Originality, Non-Infringement and Maintenance of Records**.

Executive represents and warrants that all Works of Authorship are original and that any Inventions made by Executive (solely or jointly with others) during the Term of Executive' s employment with the Company do not infringe any Intellectual Property Rights, including moral rights, of any person. Executive agrees to keep and maintain adequate and current records of all Inventions made by Executive (solely or jointly with others) during the Term of Executive's employment with the Company. The records will be in the form of notes, sketches, drawings, and any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

(c) **Further Assurances and Intellectual Property Registrations**.

Executive agrees to do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such further agreements, waivers, instruments and documents as Company or its designee may reasonably request in order to assist the Company, or its designee, at the Company's expense, in every proper way to secure and confirm the Company's rights in the Inventions and any Intellectual Property Rights related thereto in any and all countries, including without limitation the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, waivers and all other instruments which the Company shall deem necessary in order to evidence its ownership of the rights in the Inventions and any Intellectual Property Rights related thereto, to apply for and obtain such rights and in order to assign and convey to the Company the sole and exclusive right, title and interest in and to such Inventions and any Intellectual Property Rights relating thereto. Executive further agrees that Executive's obligation to execute or cause to be executed, when it is in Executive's power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is unable because of Executive's mental or physical incapacity or for any other reason to secure Executive's signature to apply for or to pursue any application for any United States or foreign Intellectual Property Right covering Inventions assigned to the Company as above, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, or copyright, industrial design, trademark or other registrations thereon with the same legal force and effect as if executed by Executive.

(d) **Remedy for Breach**.

Without limiting the remedies which may be available to Company at law or equity, should the Company commence legal action to enforce the provisions of this paragraph 6, in addition to injunctive or other equitable relief, the Company shall be entitled to damages at law and, if successful, to reimbursement by Executive of its reasonable attorneys' fees and expenses.

7. Section 409A.

(a) To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision of such section, and the regulations and guidance promulgated thereunder ("**Section 409A**"), so as to prevent inclusion in gross income of any amounts payable or benefits provided hereunder in a taxable year that is prior to the taxable year or years in which such amounts or benefits would otherwise actually be distributed, provided or otherwise made available to Executive. This Agreement shall be construed, administered, and governed in a manner consistent with this intent.

(b) If and to the extent that any payment or benefit under this Agreement is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A and is payable to Executive by reason of Executive's termination of employment, such payment or benefit shall be made or provided to Executive only upon a "separation from service" as defined for purposes of Section 409A. Each payment made under paragraphs 4(f) and 4(g) of this Agreement will be considered a "separate payment" and not one of a series of payments for purposes of Section 409A.

(c) Nothing in this paragraph 7 shall be construed as a guarantee by the Company of any particular tax effect under this Agreement. The Company shall not be liable to Executive for any tax, penalty or interest imposed on any amount paid or payable hereunder by reason of Section 409A, or for reporting in good faith any payment made under this Agreement as an amount includible in gross income under Section 409A.

(d) Executive is encouraged to obtain Executive's own tax advice regarding Executive's compensation from the Company. Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive agrees that Executive will not make any claim against the Company related to tax liabilities arising from Executive's compensation. Executive further acknowledges and agrees that Executive has not received or relied on any advice from the Company or its attorneys with respect to the taxability of any compensation or benefits provided to Executive under this Agreement.

8. Governing Law And Arbitration. This Agreement is governed by and is to be construed and enforced in accordance with the laws of the Province of Ontario, without regard to any conflict of law rules. Any action for injunctive relief or to otherwise enforce the provisions of paragraphs 5 and 6 above, may be arbitrated or brought in a court sitting in the Province of Ontario having jurisdiction over the dispute at the Company's discretion. Any Arbitrable Dispute (as that term is defined in Appendix A) shall be resolved through final and binding arbitration, pursuant to the terms, conditions and procedures detailed in Appendix A hereto. This provision shall survive the termination of this Agreement.

9. Notices. All notices required to be given under this Agreement shall be in writing and shall be deemed effective when delivered in person, by email transmission (if confirmation of the same can be established), nationwide overnight delivery service or by certified mail, addressed, in the case of Executive, to Executive's residential address as stated above, and in the case of the Company, to the Company's address as stated above, or to such other address as Executive or the Company may designate in writing to the other party.

10. Representation. Executive represents that Executive is under no restrictions from any former employer that would prevent Executive from continuing work for the Company in the position described herein and performing all of the Services Executive was hired by the Company to perform. Executive further represents Executive has not and will not take from or bring to the Company any confidential information or proprietary information from any former employer, regardless of whether Executive is bound to a written confidentiality agreement. Miscellaneous.

(a) **Entire Agreement / Merger**. Executive and the Company acknowledge and agree that this Agreement constitutes the entire understanding between them relating to the employment of Executive by the Company, and supersedes all prior written and oral agreements and understandings with respect to the subject matter of this Agreement.

(b) **Written Amendments**. This Agreement may be amended only by a subsequent written agreement signed by Executive and the Company.

(c) **Successors and Assigns**. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, successors, assigns and personal representatives. In no event may Executive assign any rights or duties under this Agreement to another person or entity.

(d) **No Waivers**. No waiver by either party of or failure to assert any provision or condition of this Agreement or right to be exercised hereunder shall be deemed a waiver of such or similar or dissimilar provisions, conditions or rights.

(e) **Construction and Captions**. No provision of this Agreement is to be interpreted for or against any party because that party's legal representatives drafted it. Captions are inserted for convenience of reference only and shall have no bearing on the interpretation of the Agreement's terms. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

(f) **Currency**. Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

(g) **Severability**. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative, in whole or in part, for any reason, by any court of competent jurisdiction, government authority, arbitrator or otherwise, such holding, declaration or pronouncement shall not effect adversely any other provision of this Agreement, which shall otherwise remain in full force and effect and be enforced in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date written below.

iAnthus Capital Holdings, Inc.

By:	/s/ Hadley Ford	October 11, 2019
	Hadley Ford	**Date**
	Chief Executive Officer	
By:	/s/ Julius Kalcevich	October 15, 2019
	Julius Kalcevich	**Date**

APPENDIX A - ARBITRATION AGREEMENT

In consideration of this Agreement and as a condition of Executive's employment at the Company, Executive and the Company mutually agree to binding arbitration pursuant to the following terms:

1. Arbitrable Claims - Any legal controversy arising out of the interpretation or application of the Agreement or relating to Executive's employment at or termination from the Company or any other manner of Executive's relationship with the Company (including disputes which do not relate to Executive's employment at or termination there from), including, but not limited to, any claims, whether past, present, or prospective, arising under common law (e.g., breach of contract, defamation, privacy and tort claims) and similar laws, rules and regulations, but excluding any claims that cannot be waived or relinquished by operation of statute, (hereinafter "**Arbitrable Claims**"), shall be resolved by binding arbitration. Claims by the Company for injunctive relief involving Executive's use of Confidential Information, trade secrets or breach of any of the restrictive covenants set forth in Paragraph 5 and 6 of the Agreement may either be arbitrated or brought in court at the Company's option.

2. Excluded Claims and Charges - It is acknowledged and agreed that the any claims that cannot be waived or relinquished by operation of statute, including (without limitation) the Employment Standards Act, 2000, are not Arbitrable Claims.

3. Persons and Entities Covered - This Agreement applies to any Arbitrable Claims by Executive against any employees, agents, independent contractors, officers, principals, attorneys, parents, subsidiaries, affiliated entities or successor entities of the Company.

4. Tribunal, Forum and Rules of Procedure - All Arbitrable Claims shall be arbitrated in pursuant to the Arbitration Rules of the ADR Institute of Canada, Inc. (the "ADR Institute"). The ADR Institute shall not administer the arbitration, the seat of the arbitration shall be Toronto, Ontario, Canada, there shall be one arbitrator and the language of the arbitration shall be English.

5. Time for Commencing Arbitration Proceeding - All Arbitrable Claims shall be commenced by the filing of a Notice of Request to Arbitrate in accordance with the rules of the ADR Institute, within 365 days from the date of the act(s) or event(s) which give rise thereto, even if there is a federal, provincial or local statute of limitations that may have provided more time to pursue the claim. A copy of the demand for arbitration must be served upon the Company's Board of Directors.

6. Prehearing Conference/Discovery of Facts

(a) In an attempt to balance the objectives of speedy and cost-effective dispute resolution with the need for enough information to advance and/or defend an Arbitrable Claim, there will be limited disclosure and discovery available to the Company and to Executive.

(b) At least thirty (30) days before the arbitration hearing, the parties or their representatives, if any, will appear at a pre-hearing conference, at which time each party will reveal to the other and exchange information concerning their respective claims, proposed defenses, fact and expert witnesses, exhibits and other documentary materials or evidence intended to be utilized at the hearing. In addition, where appropriate and directed by the arbitrator at the pre-hearing conference, the parties will enter into a stipulation as to uncontested facts within fourteen (14) days prior to the arbitration hearing.

(c) Additional discovery will be available on application to and obtaining an order from the arbitrator, pursuant to the Arbitration Rules of the ADR Institute.

7. Authority of Arbitrator - The parties agree that the arbitrator presiding over an Arbitrable Claim shall apply all relevant statutes and legal precedents there under and shall have the authority to award any equitable or monetary relief available under the applicable law(s) alleged to have been violated. The arbitrator shall additionally have the power and authority to entertain and rule upon motions to dismiss and/or for summary judgment pursuant to the rules, standards and case precedent prevailing under the Ontario Rules of Civil Procedure 12(b)(6) and 56, provided it is reasonably clear that the party opposing the motion has failed to state a legally actionable Arbitrable Claim, will have insufficient evidence to present at the arbitration hearing in support of the Arbitrable Claim or has failed to satisfy his burden of proof during the course of the hearing.

8. Fees and Costs - The fees of the arbitrator shall be split by the parties. The Arbitrator shall have the discretion to render an award of arbitration fees and costs to the prevailing party.

9. Representation by Counsel - Both parties are free to be represented by counsel in connection with any Arbitrable Claim or at any arbitration hearing. All fees and costs of a party's counsel and any expert witnesses shall be borne exclusively by that party, unless after the conclusion of the arbitration proceeding the arbitrator awards reasonable legal fees to a party as the "prevailing party," on all or part of any claims, pursuant to a statute alleged to have been violated which provides for such relief, or pursuant to Paragraphs 5(e) or 6(d) of the Agreement.

10. Privacy of Proceedings and Results - Unless otherwise agreed by the parties, the arbitration proceedings and the results thereof may not be reported to or discussed with any news agency or legal publisher or service, or any person or entity not directly involved in the dispute, except the parties' counsel and financial advisors, Executive's immediate family, legal advisors and financial advisors, and where: (i) disclosure is relating to any investigation or action by Securities and Exchange Commission or (ii) where required by any other federal, provincial, state or local governmental agency, in which case, Executive shall provide prompt notice of such to the Company.

11. Judicial Proceedings Related To Arbitration Award / Service Requirements - The parties consent to the application of Ontario Arbitration Statutes and to the jurisdiction of the Ontario court, for judgment on an award and for all other purposes in connection with said arbitration and further consent that any notice, process or notice of motion or other application to either of said courts or judges thereof, or of any notice in connection with any arbitration hereunder, may be served by certified or registered mail, return receipt requested, or by personal service, or in such other manner as may be permitted under the Arbitration Rules of the ADR Institute or of either of said courts. Judgment upon the award rendered may be entered by any court having jurisdiction. Any provisional remedy which, but for this Agreement, would be available at law, shall be available to the parties hereto pending the final award of the arbitrator.

12. Preclusive Effect And Bar To Other Proceedings - This arbitration provision precludes litigation or re-litigation in any federal, provincial or local court or any administrative agency or other forum by the parties hereto any Arbitrable Claim that has been, is being, will be, or could or should have been arbitrated under this Agreement, provided that nothing herein shall be construed as prohibiting Executive from exercising his protected right to file a federal, provincial or local governmental agency or to participate in such agency's investigation of a charge, provided further that Executive is barred by this Agreement from receiving relief from or the right to recover or share in payments of any amounts of money for any reason (including, without limitation, back pay, front pay or other damages, penalties, costs, expenses and legal fees) in any proceeding, including those filed or pending in a court of law or before a governmental agency, except for certain claims filed with the Securities and Exchange Commission, actions to compel arbitration or to enforce an Arbitrator's award under this Agreement.

13. Severability - Should any portion of this arbitration provision be declared or determined by a court to be illegal or invalid, the court shall have the power to modify the same so that it conforms with prevailing law and the validity of the remaining parts, terms or provisions shall not be affected thereby.

14. Acknowledgment - Executive expressly acknowledges and agrees that Executive has carefully read this arbitration provision; that Executive understands the terms, conditions and significance of this commitment; that Executive has had ample time to consider this provision and to review it with counsel; and that by executing this Agreement, Executive has agreed to this arbitration provision voluntarily and knowingly.

Exhibit 10.4

FIRST AMENDMENT
TO THE
EMPLOYMENT AGREEMENT

This First Amendment (the "**Amendment**") to the Agreement (as defined below) by and between iAnthus Capital Holdings, Inc. ("**iAnthus**" or the "**Company**"), and Julius Kalcevich ("**Executive**"), is dated as of April 4, 2020. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Agreement.

WHEREAS, iAnthus and Executive entered into that certain Employment Agreement dated as of October 10, 2019 (the "**Agreement**"); and

WHEREAS, iAnthus and Executive desire to amend the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. **Section 3(a) of the Agreement.** Section 3(a) of the Agreement shall be deleted in its entirety and replaced with the following:

"(a) Salary

Executive's annual base salary shall be Four Hundred Fifty Thousand Dollars and No Cents ($450,000.00) per annum paid in bi-weekly installments and an annual lump sum cash payment in an amount determined by the Compensation Committee (collectively, "Base Salary"), which gross sums shall be less statutory withholding taxes and required deductions. Executive shall be paid in accordance with the Company's standard payroll practices. Executive's Base Salary shall be reviewed in accordance with the Company's policies as from time to time in effect and may be increased but not decreased below the annual rate stated in the foregoing sentence in this Section 3(a). The Company and Executive acknowledge that the annual lump sum cash payment for the calendar year 2020 shall be an amount of Two Hundred Twenty-five Thousand Dollars and No Cents ($225,000.00) and be paid no later than January 31, 2021."

2. **Section 3(b) of the Agreement.** Section 3(b) of the Agreement shall be deleted in its entirety and replaced with the following:

"(b) Bonus

In addition to Executive's Base Salary, beginning on January 1, 2019, Executive shall be eligible to receive an annual incentive bonus (the "Incentive Bonus") in the sole discretion of the Board of Directors. The applicable criteria for achieving an Incentive Bonus shall be established annually by the Board of Directors, in its sole discretion, as soon as practicable. Any Incentive Bonus earned shall be payable no later than March 15th of the fiscal year after the fiscal year in which it was earned. Executive acknowledges that an incentive bonus of Two Hundred Thousand Dollars and No Cents ($200,000.00) was paid on February 25th, 2020 for calendar year 2019."

3. **Section 3(c)(i) of the Agreement.** Section 3(c)(i) of the Agreement shall be deleted in its entirety and replaced with the following:

"**(c) Options.** (i) Time Vesting Options.
On February 1st of each calendar year during the term of this Agreement or the first day thereafter that the Company is permitted to make option grants to executives of the Company (each, a "Grant Date"), Executive shall receive a grant of stock options ("Time Vested Options") to purchase Common Shares ("Shares") of iAnthus Capital Holdings, Inc. ("Holdings") pursuant to the iAnthus Capital Holdings, Inc. Amended and Restated Omnibus Incentive Plan (the "Plan") with a value (the "Option Value") equal to Eight Hundred Thousand Dollars ($800,000.00) per annum minus the value of the current year Base Salary, which shall be incentive stock options to the maximum extent permitted. The exercise price of the Time Vested Option shall by equal to the Fair Market Value (as defined in the Plan), shall expire ten years after the Grant Date and shall vest in 12 equal quarterly installments commencing on the last day of the calendar quarter following the Grant Date and otherwise pursuant to the terms and conditions of Holdings' form of Award Agreement (as defined in the plan). Executive acknowledges that the options to purchase 170,368 Common Shares on August 6th, 2019 reflect the Time Vested Option grants for calendar year 2019. The Executive acknowledges that the Company may satisfy the obligation of Time Vested Options by a grant of stock options or restricted stock units."

4. **Section 3(c)(ii) of the Agreement.** Section 3(c)(ii) of the Agreement shall be amended to add the following as the last sentence:

"**(c) Options.** (ii) Performance Options.

The Executive acknowledges that the Company may satisfy the obligation of Performance Options by a grant of stock options or restricted stock units."

5. **Miscellaneous.** Except as otherwise expressly provided in this Amendment, the terms and conditions of the Agreement shall remain unchanged and in full force and effect. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which when affixed together shall constitute but one and the same instrument. Signatures exchanged by facsimile or electronic document signing services shall be deemed original signatures for all purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date written below.

iANTHUS CAPITAL HOLDINGS, INC.

By: /s/ Hadley Ford — April 4, 2020
Hadley Ford — Date
Chief Executive Officer

/s/ Julius Kalcevich — April 4, 2020
Julius Kalcevich — Date

Exhibit 10.5

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is dated as of October 10, 2019 (with an effective date as of January 1, 2019) between iAnthus Capital Management, LLC including iAnthus Capital Holdings, Inc. and all of its subsidiaries (the "Company"), located at 420 Lexington Avenue, Suite 414, New York, NY 10170, and Randy Maslow, an individual ("Executive") residing at .

W I T N E S E T H:

WHEREAS, the Executive has been employed by the Company since 2014 and Company desires to continue to employ Executive as its President and Executive desires to be so employed;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the Company agrees to continue to employ Executive, and Executive accepts the continued employment with the Company on the terms and conditions set forth in this Agreement, to which the parties agree as follows:

1. Term Of Agreement.

The term of the Agreement will be for three (3) years, commencing on January 1, 2019 ("Effective Date") and ending on January 1, 2022, subject to earlier termination pursuant to the terms and conditions discussed in paragraph 4 below, or extension upon the written agreement of the parties hereto (the "Term"). If either party wishes to terminate the Agreement, the party shall provide notice of termination on or before the 60th day prior to expiration of the then current Term. If neither party provides notice of termination, the Agreement will be extended for successive one (1) year terms, subject to the same notice of termination/extension provision as detailed in this paragraph.

2. Duties During Employment. Executive is being hired under this Agreement to perform services as follows:

(a) Title and Reporting. Executive's title shall be President. Executive shall report to the Chief Executive Officer.

(b) Responsibilities. Executive's duties and responsibilities shall include: Responsibilities commensurate with the goals and objectives agreed upon with the Chief Executive Officer on a regular basis; and such other duties and responsibilities as may be assigned or delegated to Executive from time to time by the Chief Executive Officer and the Board of Directors of the Company (hereinafter the "Services"). Executive shall comply with all federal, state and local laws, rules and regulations in the performance of Executive's duties under this Agreement.

(c) Outside Work. During the Term of this Agreement, Executive agrees to faithfully, diligently, and to the best of Executive's ability, devote Executive's entire business time and best efforts, energies, skills and experience to the discharge of Executive's duties and responsibilities hereunder. Without the consent of the Chief Executive Officer or President, Executive will not take any other employment or be involved in any other business for remuneration. Executive shall not be involved in any activities which would prevent Executive from devoting Executive's full attention and energies to the requirements of Executive's position at the Company, but with the approval of the Board of Directors, not to be unreasonably withheld, may reasonably be engaged in civic and charitable endeavors so long as such civic or charitable endeavors and are not in conflict or competitive with, or adverse to, the interests of the Company.

3. Compensation and Benefits.

(a) Salary. Executive's annual base salary shall be four hundred thousand Dollars and No Cents ($400,000.00) per annum ("Base Salary"), which gross sum shall be less statutory withholding taxes and required deductions. Executive shall be paid in accordance with the Company's standard payroll practices. Executive's Base Salary shall be reviewed in accordance with the Company's policies as from time to time in effect and may be increased but not decreased below the annual rate stated in the foregoing sentence in this Section 3(a).

(b) Bonus. In addition to Executive's Base Salary, beginning on January 1, 2020, Executive shall be eligible to receive an annual incentive bonus (the "Incentive Bonus") in the sole discretion of the Board of Directors. The applicable criteria for achieving an Incentive Bonus shall be established annually by the Board of Directors, in its sole discretion, as soon as practicable. Any Incentive Bonus earned shall be payable no later than March 15th of the fiscal year after the fiscal year in which it was earned.

(c) Options.

(i) Time Vesting Options. On February 1st of each calendar year during the term of this Agreement or the first day thereafter that the Company is permitted to make option grants to executives of the Company (each, a "Grant Date"), Executive shall receive a grant of stock options ("Time Vested Options") to purchase Common Shares ("Shares") of iAnthus Capital Holdings, Inc. ("Holdings") pursuant to the iAnthus Capital Holdings, Inc. Amended and Restated Omnibus Incentive Plan (the "Plan") with a value (the "Option Value") equal to six hundred sixty-six thousand and six hundred and sixty-seven Dollars and No Cents ($666,667.00) per annum, which shall be incentive stock options to the maximum extent permitted. The exercise price of the Time Vested Option shall by equal to the Fair Market Value (as defined in the Plan), shall expire ten years after the Grant Date and shall vest in 12 equal quarterly installments commencing on the last day of the calendar quarter following the Grant Date and otherwise pursuant to the terms and conditions of Holdings' form of Award Agreement (as defined in the Plan). Executive acknowledges that the options to purchase 206,506 Common Shares on August 6th, 2019 reflect the Time Vested Option grants for calendar year 2019.

(ii) Performance Options. In addition to the Time-Vested Options, Executive shall also be entitled to receive a grant of stock options ("Performance Options" and collectively with the Time Vested Options and any previously issued options to the Executive, the "Options") to purchase Shares under the Plan. For calendar year 2019, the Performance Options shall have an Option Value equal to five hundred thirty three thousand three hundred and thirty three Dollars and No Cents ($533,333.00) per annum and thereafter shall be in such amount as shall be determined by Holdings Compensation Committee, in its sole discretion, but in an amount not less than the Option Value of the Performance Options granted during calendar year 2019. Executive acknowledges that the options to purchase 165,205 Common Shares on August 6th, 2019 reflect the Performance Option grants for calendar year 2019. The Company shall have reasonable discretion to cancel all, some, or none of the Performance Options depending on whether the Company or Executive has met the annual performance objectives (the "Performance Objectives") as established annually by the Company and provided in writing to Executive. The exercise price of the Performance Options shall be equal to the Fair Market Value (as defined in the Plan), shall expire ten years after the Grant Date and shall vest in 12 equal quarterly installments commencing on the last day of the calendar quarter following the Grant Date and otherwise pursuant to the terms and conditions of the Company's form of Award Agreement. The Company shall notify Executive within 30 days of the end of the calendar year regarding the amount, if any, of Executive's Performance Options for that year that have been earned and no Performance Options, whether vested or not, shall be exercisable until the Company has determined whether the Performance Objectives have been met.

(iii) Option Criteria. For purposes of determining the number of Options to be granted to Executive in payment of the Time Vested Options or Performance Options granted to Executive, the Options shall be valued (i.e. "Option Value", based on the date of the grant using the Black-Scholes option pricing model, with the input variables determined by the Company in its sole discretion consistently applied, and shall, to the maximum extent permitted, be incentive stock options. In the event of an inconsistency or conflict between the provisions of this Agreement and the provisions of the Plan or any option agreement thereunder, with respect to the grant of any Option, the terms of the Plan or any Award Agreement shall control.

(d) Benefits.

(i) During the Term, to the extent eligible under the applicable plans and programs, Executive and Executive's family shall be entitled to participate in the Company's medical, dental, and vision plan at no cost to Executive and to such other plans and programs made available to employees of the Company generally. The terms and conditions of Executive's participation in any employee benefit plan or program shall be subject to the terms and conditions of such plan or program, as may be modified by the Company from time to time. Nothing in this Agreement shall preclude the Company from amending or terminating any employee benefit plan or program.

(ii) The Company shall provide a reasonable stipend for a gym membership so long as Executive submits proof annually that Executive is an active gym member.

(e) Paid Time Off. Executive shall be entitled 25 days of paid time off ("PTO") each full calendar year (prorated to reflect any partial calendar year during which you are employed by the Company pursuant to this Agreement), to be taken in accordance with the Company's PTO policies as in effect from time to time. Any PTO shall be taken at the reasonable and mutual convenience of the Company and Executive.

(f) Other Expenses. The Company will reimburse Executive for all reasonable expenses in the performance of Executive's duties under the Agreement, in accordance with the Company's standard reimbursement policies. Executive further agrees to comply with the Company's reimbursement procedures and with the conditions for reimbursements as required by the Internal Revenue Code and the rules and regulations thereunder in connection with the incurring and reporting of business expenses.

4. Termination of Agreement.

(a) Termination For Cause. The Company shall be entitled to terminate this Agreement and Executive's employment immediately and without notice for "Cause". Termination for "Cause" shall mean termination based upon: (i) the failure by Executive to follow directions of the Board of Directors or Chief Executive Officer in the handling of material matters which are consistent with Executive's position; (ii) the willful or continued engagement by Executive in conduct which is materially injurious to the Company, monetarily or otherwise, including, but not limited to, the disclosure by Executive of material Confidential Information (as defined in paragraph 5(a)(i)), which is inconsistent with Executive's responsibilities set forth in Paragraph 2(b), breach by Executive of Executive's fiduciary duties to the Company, violation by Executive of any restrictive covenant, including covenants not to compete, to solicit the Company's clients or employees or disparage the Company or its officers, employees, business partners, affiliates or representatives, as further defined in paragraph 5 below; (iii) a conviction of, a plea of nolo contendere, a guilty plea or confession by Executive to an act of fraud, misappropriation or embezzlement or to a felony; (iv) Executive's habitual intoxication while conducting the Company's business; (v) a material violation of the Company's employment policies; (vi) a material breach by Executive of this Agreement; or (vii) Executive's willful absence from Executive's employment or willful failure or refusal to perform or gross neglect in the performance of Executive's duties or responsibilities hereunder. Where reasonable, prior to termination under subparagraphs (i), (ii), (iv), (v), (vi) or (vii) above, the Company will provide Executive with written notice of any act or omission it believes constitutes Cause for termination, including stating the reasons for such belief, and Executive shall have thirty (30) days to cure and/or to present Executive's position regarding the matter. In the event of termination of Executive by the Company for Cause, the Company shall have no obligation to pay Executive anything other than any salary earned to date and any Options (whether Time Vested Options or Performance Options and whether vested or unvested Options) shall terminate and be of no further force and effect; provided, however, that any options that had vested prior to the date that was 12 months prior to the date of termination shall be exercisable for a period of 90 days following the date of termination for Cause. In addition, the Company shall provide Executive with any benefit continuation rights as required by law. A termination for Cause will be effective upon the Company's delivery to Executive of a written notice advising Executive of Executive's termination, provided that a termination for Cause under subparagraphs (i), (ii), (iv), (v), (vi) or (vii) , in circumstances where thirty (30) calendar days advance written notice has been given, will be effective on the thirty first (31st) calendar day after Executive's receipt of said notice if the conduct constituting Cause has not, in the Company's opinion, been corrected by Executive.

(b) Termination In The Event Of Executive's Disability. If, as a result of the incapacity of Executive due to physical or mental illness as determined by the Company Board of Directors, Executive is unable to perform substantially and continuously the duties assigned to Executive hereunder for a period of one hundred twenty (120) days or more, with or without a reasonable accommodation being made by the Company, and compliance by the Company with all applicable statutes, if any, the Company may terminate this Agreement for "Disability," upon twenty-one (21) calendar days' notice. In said event, the Company shall be required to pay Executive all accrued and unpaid salary and all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable (and shall not be subject to reduction for failure to meet Performance Objectives) and the Company agrees that the Options shall continue to be exercisable until the later of (x) expiration date set forth in the relevant option agreement (without regard to any provision of the Plan or option agreement providing for earlier termination) and (y) five years from the date of termination of Executive's employment. In the event that the Company terminates this Agreement for "Disability" at the beginning of any calendar year and prior to the grant of any Options (whether Time Vested Options or Performance Options) with respect to such calendar year, in connection with any such termination, the Company shall issue to Executive a number of Options with an Option Value equal to the Option Value of the Options granted to Executive in the prior calendar year, which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and the number of Performance Options shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten years from the date of grant. In addition, the Company shall provide Executive and Executive's dependents with any benefit continuation rights as required by law.

(c) Termination In The Event Of Executive's Death. This Agreement shall terminate immediately upon the death of Executive. In said event, the Company shall be required to pay Executive's estate all accrued and unpaid salary payable within ten days after the date of termination and all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable and the Company agrees that the Options shall continue to be exercisable until the later of (x) expiration date set forth in the relevant option agreement (without regard to any provision of the Plan or option agreement providing for earlier termination) and (y) five years from the date of the Executive's death. In the event that this Agreement terminates as a result of Executive's death at the beginning of any calendar year and prior to the grant of any Options (whether Time Vested Options or Performance Options) with respect to such calendar year, in connection with any such termination, the Company shall issue to Executive, to the maximum extent permitted by law, a number of Options with an Option Value equal to the Option Value of the Options granted to Executive in the prior calendar year, which shall be fully vested, immediately exercisable (and shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant. In addition, the Company shall provide Executive's dependents with any benefit continuation rights as required by law.

(d) Termination By Executive Without Good Reason. Should Executive resign or otherwise leave Executive's employment with the Company during the Term of the Agreement other than for "Good Reason" (as defined in paragraph 4(e) below), Executive must provide the Company with thirty (30) days' advance written notice ("Transition Notice"). Provided that Executive provides the required notice, the Company shall be required to pay Executive all accrued and unpaid salary and all issued vested Options (whether Time Vested Options or Performance Options) shall continue to be exercisable but any unvested Options (whether Time Vested Options or Performance Options) shall terminate and be of no further force and effect. Should the Company choose to release Executive during the three (3) month Transition Notice period, it shall pay to Executive Executive's salary and other benefits for the remainder of the Transition Notice period and any Options that would have vested during the remainder of the Transition Notice period shall also vest but the Company shall have no further obligations to Executive thereafter. In the event Executive resigns without Good Reason and fails to provide Transition Notice, Executive shall be in breach of this Agreement and shall be liable for damages suffered by the Company as a result of Executive's contract breach. Should Executive terminate Executive's employment without Good Reason and without providing Transition Notice, the Company shall be relieved of its obligations to Executive under this Agreement, other than to pay Executive any salary earned to date and any unvested Options (whether Time Based Options or Performance Based Options) shall terminate and be of no further force and effect. In addition, the Company shall provide Executive with any benefit continuation rights as required by law.

(e) Termination By Executive For Good Reason. Termination by Executive for "Good Reason" shall mean, termination by Executive because of: (i) a diminution in Executive's Base Salary or the Company's failure to provide Executive during any calendar year with a grant of Time Vesting Options or Performance Options in an amount at least equal to the value of Time Vesting Options or Performance Options, respectively, granted during to Executive during calendar year 2019 or the Company otherwise fails to provide the other compensation and benefits as set forth in this Agreement; (ii) a material diminution in Executive's title, authority, responsibilities, duties or status without Executive's consent, which significantly alters the nature of the position for which Executive was hired or (iii) any material breach by the Employer of any provision of this Agreement which is not under Executive's control. Executive shall provide the Company with thirty (30) days' written notice of Executive's intentions to terminate Executive's employment for Good Reason. The Company shall have the right to cure any alleged failure to comply with its obligations hereunder within this thirty (30) day period and, if cured, Executive's notice of termination for Good Reason shall be deemed rescinded.

(f) Entitlements Upon Termination of Executive Without Cause Or By Executive With Good Reason Should the Company terminate Executive's employment without Cause, it shall provide Executive with the notice that it deems reasonable under the circumstances. In the event the Company terminates Executive's employment without Cause or Executive terminates Executive's employment with the Company for Good Reason, the Company shall pay Executive any salary earned to date and all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable and the Company agrees to extend the period during which the Options may be exercisable: (x) for a period of one year following the date of termination of employment, if Executive has been employed by the Company or any predecessors for less than three (3) years, and (y) until later of (A) expiration date set forth in the relevant option agreement (without regard to any provision of the Plan or option agreement providing for earlier termination) and (B) five years from the date of termination of Executive's employment, if Executive has been employed by the Company or any predecessors for at least three (3) years. In addition, if Executive has been employed by the Company or any predecessors for at least three (3) years, the Company also shall issue to Executive (the "Additional Option Grant") such additional number of Options with an Option Value equal to the Option Value of the Options that were issued to Executive during the preceding twelve (12) months (or if no Options have been granted within the previous twelve (12) months, then the most recent Option grant), which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant. The Company shall additionally pay to Executive in cash, an amount equal to Executive's Base Salary for one year following Executive's termination date plus the amount of any Incentive Bonus paid in cash to Executive in the previous twelve (12) months (the "Severance Payment Period") (such payment, the "Severance Payment"). The payment by the Company of the Severance Payment shall be paid out in equal installments for the remainder of the Severance Payment Period on regular Company pay days. Additionally, if Executive's employment terminates and Executive elects COBRA, the Company shall pay COBRA premiums for Executive and Executive's current dependents during the Severance Payment Period. The Company shall have no further obligation to pay Executive's COBRA premiums if Executive accepts employment with a new employer that offers Executive medical benefits. In order to be entitled to the accelerated vesting of the Options and to receive the Additional Option Grants, Severance Payment and COBRA reimbursement under this paragraph, Executive must (i) sign a release of all claims against the Company and its officers, representatives and employees and a covenant not to sue, and (ii) at the discretion of the Company, either continue to work for the Company for a reasonable transition period and/or provide reasonable outside transition assistance as requested for 90 days after Executive's employment cessation. The Severance Payment shall be subject to all required statutory withholdings and deductions. Executive acknowledges that the severance benefits detailed herein (or notice payments as specified in other paragraphs of this Agreement), is further and valid consideration for Executive's covenants not to: (i) disclose Confidential Information, as defined in paragraph 5(a)(i) and restricted in paragraph 5(b) below; (ii) compete by operating, managing, or being otherwise employed by or associated with a Competitive Business as defined in paragraph 5(c) below; (iii) solicit the Company's customers, former customers or prospective customers, as defined and provided for in paragraph 5(c) below; (iv) solicit the Company's employees, vendors or other business associates to cease doing business with the Company; or (v) disparage the Company or its employees, officers and representatives, as provided for in paragraph 5(d) below.

(g) Effect of Termination By Company as a Result of a Change in Control. In the event the Company terminates Executive's employment without Cause or Executive terminates Executive's employment for Good Reason during the first twelve (12) months after a "Change in Control" (defined in paragraph 4(g)(i) below), the Company shall pay Executive any salary earned to date, payable within ten days after the date of termination. The Company shall additionally pay to Executive in cash an amount equal to Executive's Adjusted Base Salary Compensation for two years following Executive's termination (the "Change in Control Severance Payment Period" and such payment, the "Change in Control Severance Payment"). The payment by the Company of Executive's Change in Control Severance Payment shall be paid out in a lump sum, payable within ten days after the date of termination. In addition, all issued Options (whether Time Vested Options or Performance Options and whether vested or unvested) shall be accelerated and become exercisable (and shall not be subject to reduction for failure to meet Performance Objectives) and the Company agrees that the Options shall continue to be exercisable until the later of (x) expiration date set forth in the relevant option agreement (without regard to any provision of the Plan or option agreement providing for earlier termination) and (y) five years from the date of termination of Executive's employment. In addition, (x) if Executive has been employed by the Company or any predecessors for less than three (3) years, the Company also shall issue to Executive such additional number of Options with an Option Value equal to the Adjusted Option Value of the Options that were issued to Executive during the preceding 12 months (or, in case of options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and the number of Performance Options shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant and (y) if Executive has been employed by the Company or any predecessors for at least three (3) years, the Company also shall issue to Executive such additional number of Options with an Option Value equal to two times the Adjusted Option Value of the Options that were issued to Executive during the preceding 12 months (or, in case of options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) which shall be fully vested, immediately exercisable with an exercise price equal to the Fair Market Value at time of issuance (and the number of Performance Options shall not be subject to reduction for failure to meet Performance Objectives) and shall be exercisable for a period of ten year from the date of grant (such additional option grant, herein referred to as (the "Additional Change in Control Option Grant"). Additionally, if Executive's employment terminates and Executive elects COBRA, the Company shall pay COBRA premiums for Executive and Executive's current dependents for twelve (12) months following Executive's termination of employment. The Company shall have no further obligation to pay Executive's COBRA premiums if Executive accepts employment with a new offer that offers Executive medical benefits. In order to be entitled to the accelerated vesting of the Options and to receive the Additional Change in Control Option Grants, Change in Control Severance Payment and COBRA reimbursement under this paragraph, Executive must (i) sign a release of all claims against the Company and its officers, representatives and employees and a covenant not to sue, and (ii) at the discretion of the Company, either continue to work for the Company for a reasonable transition period and/or provide reasonable outside transition assistance as requested for 90 days after Executive's employment cessation. The Change in Control Severance Payment shall be subject to all required statutory withholdings and deductions. Executive acknowledges that the severance benefits detailed herein (or notice payments as specified in other paragraphs of this Agreement), is further and valid consideration for Executive's covenants not to: (i) disclose Confidential Information, as defined in paragraph 5(a)(i) and restricted in paragraph 5(b) below; (ii) compete by operating, managing, or being otherwise employed by or associated with a Competitive Business as defined in paragraph 5(c) below; (iii) solicit the Company's customers, former customers or prospective customers, as defined and provided for in paragraph 5(c) below; (iv) solicit the Company's employees, vendors or other business associates to cease doing business with the Company; or (v) disparage the Company or its employees, officers and representatives, as provided for in paragraph 5(d) below. In addition, and notwithstanding anything in the Plan to the contrary, upon Change in Control, all unvested Options (whether Guaranteed Options or Performance Options) shall become fully vested and exercisable.

(h) <u>The term "Change of Control" means</u>:

(1) any individual, entity or group of individuals or entities acting jointly or in concert (other than Holdings, its affiliates or an employee benefit plan or trust maintained by Holdings or its affiliates, or any corporation owned, directly or indirectly, by the shareholders of Holdings in substantially the same proportions as their ownership of shares of Holdings) acquiring beneficial ownership, directly or indirectly, of more than 50% of the combined voting power of Holdings' then outstanding securities (excluding any person who becomes such a beneficial owner in connection with a transaction described in paragraph (ii) below);

(2) the consummation of a merger or consolidation of Holdings or any direct or indirect affiliate of Holdings with any other corporation, other than a merger or consolidation which would result in the voting securities of Holdings outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power or the total fair market value of the securities of Holdings or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of Holdings (or similar transaction) in which no person (other than those covered by the exceptions in paragraph (i) of this definition) acquires more than 50% of the combined voting power of Holdings then outstanding securities shall not constitute a Change in Control of Holdings;

(3) a complete liquidation or dissolution of Holdings or the consummation of any sale, lease, exchange or other transfer (in one transaction or a series of transactions) of all or substantially all of the assets of Holdings; other than such liquidation, sale or disposition to a person or persons who beneficially own, directly or indirectly, more than 50% of the combined voting power of the outstanding voting securities of Holdings at the time of the sale; or

(4) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of Holdings are not individuals nominated by Holdings then-incumbent Board of Directors.

(ii) The term "affiliate" means, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person.

(iii) The term "person" includes an individual, partnership, joint venture, body corporate, trust or other entity or any other form of enterprise or business organization.

(iv) For purposes of this Section 4(g), (x) the term "Adjusted Base Salary Compensation" means such percentage (not to exceed 50%) of Executive's total compensation (being the aggregate value of Base Salary, Incentive Bonus and the Option Value of the Time Vested and Performance Options) that the Executive received during the preceding 12 months (or, in the case of the Options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) ("Total Compensation"), that Executive elects to receive in the form of cash rather than Option as his or her Change in Control Severance Payment and (y) the term "Adjusted Option Value" means such percentage (equal to 100% less the percentage selected by Executive under clause (x) above) of Executive's total compensation that the Executive received during the preceding twelve (12) months (or, in the case of the Options, if no Options have been granted within the previous twelve (12) months, then the most recent Option grant) ("Total Compensation"), that Executive elects to receive in the form of Options rather than cash as his or her Additional Change in Control Option Grant. Executive shall notify the Company of his or her allocation selection within five (5) days of the date of termination after a Change of Control and in the event that Executive does not notify the Company within such five (5) day period, the Change in Control Severance Payment and Change in Control Option Grant shall be based on the percentage allocation of Total Compensation that the Executive received during the preceding twelve (12) months.

5. Confidentiality and Restrictive Covenants.

(a) Executive Acknowledges:

(i) the business of cannabis, in which the Company is engaged, is intensely competitive and that Executive's employment by the Company will require that Executive have access to and knowledge of confidential information of the Company, including, but not limited to, their plans for product expansion, marketing, financial information, profit margins, customer relationships, industry contacts, vendor and management contracts and other services, plans, rules and regulations, personnel information, and other trade secrets of the Company, all of which are of vital importance to the success of their business (collectively, "Confidential Information");

(ii) the direct or indirect disclosure of any Confidential Information, particularly information regarding the Company's plans and strategies, financial information, profit margins or customer relationships would place the Company at a serious competitive disadvantage and would do serious damage, financial and otherwise, to its business;

(iii) by Executive's training, experience, expertise and access to the Company's customers, clients, investors, consultants, strategic partners, employees and affiliates, Executive's services to the Company are special and unique; and

(iv) if Executive leaves the Company's employ to work for a competitive business as defined below, in any capacity, or solicits its customers, business partners, vendors or employees to cease doing business during the restrictive periods, it would cause the Company irreparable harm.

(b) Covenant Against Disclosure. Executive covenants and agrees that all Confidential Information relating to the business and services of the Company, any business partner, affiliate or customer of the same, shall be and remain the sole property and confidential business information of each of them, free of any rights of Executive. Executive further agrees not to make any use of the Confidential Information and not to disclose the information to third parties, without the prior written consent of the Company, except in the performance of Executive's duties hereunder or where disclosure is related to an investigation or action by the Securities and Exchange Commission or required by any other governmental agency that directs Executive to refrain from notifying the Company. The obligations of Executive under this Paragraph 5(b) shall survive any termination of this Agreement. Executive agrees that, upon any termination of Executive's employment with the Company, for any reason, all Confidential Information in Executive's possession, directly or indirectly, that is in written or other tangible form (together with all duplicates thereof) will forthwith be returned to the Company or, at the Company's request shall be destroyed, and in either case will not be retained by Executive or furnished to any third party, either by sample, facsimile, film, audio, computer or video cassette, electronic data, verbal communication or any other means of communication. Nothing in this Agreement is intended to or shall be interpreted to prohibit disclosure of information to the limited extent permitted by and in accordance with the federal Defend Trade Secrets Act of 2016 ("DTSA"). Stated otherwise, disclosures that are protected by the DTSA do not violate this Agreement. The DTSA provides that: "(1) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that – (A) is made – (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." The DTSA further provides that: "(2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual – (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

(c) Non-Competition and Solicitation. As consideration for continued employment with the Company and the benefits and provisions of this Agreement, specifically including the provision of severance benefits in paragraphs 4(f) and 4(g) above, Executive agrees that Executive shall not, during the Term of this Agreement and until the date which is twelve (12) months after the date of the termination of Executive's employment hereunder for any reason, directly or indirectly, be an owner of or involved in the management or operations of or be employed by or affiliated as an independent contractor or on any other basis with a "Competitive Business". For purposes of this Agreement, the term "Competitive Business" means any person or entity which is in the business of growing, producing, extracting and selling a wide variety of cannabis products in multiple states. For the removal of doubt, the term "Competitive Business" is meant to specifically include publicly-traded and privately-held "multistate operators" with which the Company is commonly grouped by industry analysts, but shall not include businesses that (i) operate in three or fewer states; or (ii) businesses that operate in multiple states but primarily through license agreements or similar arrangements but do not directly cultivate, produce, extract and sell a wide variety of cannabis products itself in at least four states.

This paragraph shall not be applicable to Executive's ownership of not more than 3% of the total outstanding stock of a publicly held company, or any activity engaged in by Executive with the prior written approval of the Chief Executive Officer or Board of Directors.

(d) Further Covenants Against Interference With the Company's Business. In consideration for Executive's continued employment with the Company and/or the severance benefits available to Executive, during the Term of this Agreement and until the date which is twelve (12) months after the date of the termination of Executive's employment hereunder for any reason, Executive will not, directly or indirectly, take any of the following actions and Executive will use Executive's best efforts to ensure that any business Executive may subsequently work for or be affiliated with does not take any of the following actions:

(i) solicit, persuade or attempt to persuade any employee of the Company to leave the employ of the Company;

(ii) solicit, persuade or attempt to persuade any customer, vendor or other business associate of the Company to cease doing business with the Company or to reduce the amount of business it does with the Company; or (iii)disparage the Company, its current, past or future officers, employees, representatives, customers, vendors or business affiliates or any specific actions which the Company or its past or future officers, employees, representatives, customers, vendors or business affiliates may take.

(e) Remedy for Breach. In the event Executive breaches the provisions of this Paragraph 5, the Company shall have the right to enforce these provisions by court action for injunctive or other relief, without the posting of a bond, and shall have the benefit of the full period of any restrictive covenant in issue. Should the Company commence legal action to enforce the provisions of this Paragraph 5, in addition to injunctive or other equitable relief, the Company shall be entitled to damages at law and, if successful, to reimbursement by Executive of its reasonable attorneys' fees and expenses.

(f) Acknowledgment by Executive. Executive has carefully considered the nature and extent of the restrictions upon Executive and the rights and remedies conferred upon the Company under this Agreement, and hereby acknowledges and agrees that the same are reasonable with respect to scope of substantive coverage, duration and geographic area, are designed to and are absolutely necessary to protect the legitimate business interests of the Company, and do not confer benefits upon Company disproportionate to the detriment of Executive. Executive acknowledges that the Company has given Executive, and Executive has received and/or will continue to receive should Executive be entitled to severance benefits, full and adequate consideration for the promises made by Executive and the restrictions contained in this Paragraph 5.

(g) Blue-Penciling of Agreement. The parties agree that, in the event any court or tribunal of competent jurisdiction determines that the above covenants are invalid or unenforceable, the court or tribunal shall have the power and discretion to construe the applicable provisions by limiting or reducing them so as to be enforceable to the maximum extent compatible with applicable law.

(h) Survival. This paragraph 5 shall survive the termination of this Agreement.

6. Inventions, Patents and Copyrights.

(a) Assignments. Executive agrees that Executive will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assigns to the Company, or its designee, all Executive's right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws, which Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, from the date Executive's employment with the Company commenced until Executive 's cessation of employment with the Company (collectively referred to as "Inventions"), including any and all intellectual property rights inherent in the Inventions and appurtenant thereto including, without limitation, all patent rights, copyrights, trademarks, know-how and trade secrets (collectively referred to as "Intellectual Property Rights"). Executive further acknowledges that all original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act.

(b) Maintenance of Records. Executive agrees to keep and maintain adequate and current records of all Inventions made by Executive (solely or jointly with others) during the Term of Executive s employment with the Company. The records will be in the form of notes, sketches, drawings, and any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

(c) Patent and Copyright Registrations. Executive agrees to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in the Inventions and any Intellectual Property Rights related thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company the sole and exclusive right, title and interest in and to such Inventions and any Intellectual Property Rights relating thereto. Executive further agrees that Executive's obligation to execute or cause to be executed, when it is in Executive's power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is unable because of Executive's mental or physical incapacity or for any other reason to secure Executive's signature to apply for or to pursue any application for any United States or foreign Intellectual Property Right covering Inventions assigned to the Company as above, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney in fact, to act for and in Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent, or copyright, trademark or other registrations thereon with the same legal force and effect as if executed by Executive.

(d) Remedy for Breach. Should the Company commence legal action to enforce the provisions of this Paragraph 6, in addition to injunctive or other equitable relief, the Company shall be entitled to damages at law and, if successful, to reimbursement by Executive of its reasonable attorneys' fees and expenses.

7. Section 409A.

(a) To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor provision of such section, and the regulations and guidance promulgated thereunder ("Section 409A"), so as to prevent inclusion in gross income of any amounts payable or benefits provided hereunder in a taxable year that is prior to the taxable year or years in which such amounts or benefits would otherwise actually be distributed, provided or otherwise made available to Executive. This Agreement shall be construed, administered, and governed in a manner consistent with this intent.

(b) If and to the extent that any payment or benefit under this Agreement is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A and is payable to Executive by reason of Executive's termination of employment, such payment or benefit shall be made or provided to Executive only upon a "separation from service" as defined for purposes of Section 409A. Each payment made under paragraphs 4(f) and 4(g) of this Agreement will be considered a "separate payment" and not one of a series of payments for purposes of Section 409A.

(c) Nothing in this paragraph 7 shall be construed as a guarantee by the Company of any particular tax effect under this Agreement. The Company shall not be liable to Executive for any tax, penalty or interest imposed on any amount paid or payable hereunder by reason of Section 409A, or for reporting in good faith any payment made under this Agreement as an amount includible in gross income under Section 409A.

(d) Executive is encouraged to obtain Executive's own tax advice regarding Executive's compensation from the Company. Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes Executive's tax liabilities, and Executive agrees that Executive will not make any claim against the Company related to tax liabilities arising from Executive's compensation. Executive further acknowledges and agrees that Executive has not received or relied on any advice from the Company or its attorneys with respect to the taxability of any compensation or benefits provided to Executive under this Agreement.

8. Governing Law And Arbitration. This Agreement is governed by and is to be construed and enforced in accordance with the laws of the State of New York, without regard to any conflict of law rules. Any action for injunctive relief or to otherwise enforce the provisions of paragraphs 5 and 6 above, may be arbitrated or brought in a court sitting in the State of New York having jurisdiction over the dispute at the Company's discretion. Any Arbitrable Dispute (as that term is defined in Appendix A) shall be resolved through final and binding arbitration, pursuant to the terms, conditions and procedures detailed in Appendix A hereto. This provision shall survive the termination of this Agreement.

9. Notices. All notices required to be given under this Agreement shall be in writing and shall be deemed effective when delivered in person, by email transmission (if confirmation of the same can be established), nationwide overnight delivery service or by certified U.S. mail, addressed, in the case of Executive, to Executive's residential address and, in the case of the Company, to the Company's Chief Executive Officer, at 420 Lexington Avenue, Suite 414, New York, NY, 10170, or to such other address as Executive or the Company may designate in writing to the other party.

10. Representation. Executive represents that Executive is under no restrictions from any former employer that would prevent Executive from continuing work for the Company in the position described herein and performing all of the Services Executive was hired by the Company to perform. Executive further represents Executive has not and will not take from or bring to the Company any confidential information or proprietary information from any former employer, regardless of whether Executive is bound to a written confidentiality agreement.

11. Miscellaneous.

(a) Entire Agreement / Merger. Executive and the Company acknowledge and agree that this Agreement constitutes the entire understanding between them relating to the employment of Executive by the Company, and supersedes all prior written and oral agreements and understandings with respect to the subject matter of this Agreement.

(b) Written Amendments. This Agreement may be amended only by a subsequent written agreement signed by Executive and the Company.

(c) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their heirs, successors, assigns and personal representatives. In no event may Executive assign any rights or duties under this Agreement to another person or entity.

(d) No Waivers. No waiver by either party of or failure to assert any provision or condition of this Agreement or right to be exercised hereunder shall be deemed a waiver of such or similar or dissimilar provisions, conditions or rights.

(e) Construction and Captions. No provision of this Agreement is to be interpreted for or against any party because that party's legal representatives drafted it. Captions are inserted for convenience of reference only and shall have no bearing on the interpretation of the Agreement's terms. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise. All references to the Company in any section of this Agreement relating to Options shall also include Holdings, as appropriate.

(f) Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative, in whole or in part, for any reason, by any court of competent jurisdiction, government authority, arbitrator or otherwise, such holding, declaration or pronouncement shall not effect adversely any other provision of this Agreement, which shall otherwise remain in full force and effect and be enforced in accordance with its terms.

(g) 1Currency. Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date written below.

iANTHUS CAPITAL MANAGEMENT, LLC
by iAnthus Capital Holdings, Inc., as its sole member

By: /s/ Hadley Ford 10/11/2019
Hadley Ford **Date**

/s/ Randy Maslow 10/11/2019
Randy Maslow **Date**

APPENDIX A - ARBITRATION AGREEMENT

In consideration of this Agreement and as a condition of Executive's employment at the Company, Executive and the Company mutually agree to binding arbitration pursuant to the following terms:

1. **Arbitrable Claims** – Any legal controversy arising out of the interpretation or application of the Agreement or relating to Executive's employment at or termination from the Company or any other manner of Executive's relationship with the Company (including disputes which do not relate to Executive's employment at or termination there from), including, but not limited to, any claims, whether past, present, or prospective, arising under federal, state or local employment discrimination or labor statutes, such as Title VII of the 1964 Civil Rights Act, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Civil Rights Act of 1866, the Fair Labor Standards Act, Executive Retirement Income Security Act, the New York State Executive Law, the New York State Human Rights Law, the New York Labor Law, the New York City Human Rights Law, common law (e.g., breach of contract, defamation, privacy and tort claims) and similar laws, rules and regulations (hereinafter "Arbitrable Claims"), shall be resolved by binding arbitration. Claims by the Company for injunctive relief involving Executive's use of Confidential Information, trade secrets or breach of any of the restrictive covenants set forth in Paragraph 5 and 6 of the Agreement may either be arbitrated or brought in court at the Company's option.

2. **Excluded Claims and Charges** – It is acknowledged and agreed that the following claims are excluded from and shall not be considered Arbitrable Claims, those for: workers' compensation; unfair labor practices under the National Labor Relations Act, disability, claims before the Securities and Exchange Commission; unemployment; and any claims excludable as a matter of law.

3. **Persons and Entities Covered** – This Agreement applies to any Arbitrable Claims by Executive against any employees, agents, independent contractors, officers, principals, attorneys, parents, subsidiaries, affiliated entities or successor entities of the Company.

4. **Tribunal, Forum and Rules of Procedure** – All Arbitrable Claims shall be arbitrated in New York County, New York before the Employment Dispute Tribunal of the American Arbitration Association ("AAA"). The rules of the AAA's Employment Dispute Tribunal (i.e., the AAA's National Rules for the Resolution of Employment Disputes) shall prevail in said proceeding, except to the extent supplemented by the rules set forth herein which shall take precedence.

5. **Time for Commencing Arbitration Proceeding** – All Arbitrable Claims shall be commenced by the filing of a Demand for Arbitration in accordance with the rules of the AAA, within 365 days from the date of the act(s) or event(s) which give rise thereto, even if there is a federal, state or local statute of limitations that may have provided more time to pursue the claim. A copy of the demand for arbitration must be served upon the Company's Board of Directors.

6. **Prehearing Conference/Discovery of Facts**.

(a) In an attempt to balance the objectives of speedy and cost-effective dispute resolution with the need for enough information to advance and/or defend an Arbitrable Claim, there will be limited disclosure and discovery available to the Company and to Executive.

(b) At least thirty (30) days before the arbitration hearing, the parties or their representatives, if any, will appear at a pre-hearing conference, at which time each party will reveal to the other and exchange information concerning their respective claims, proposed defenses, fact and expert witnesses, exhibits and other documentary materials or evidence intended to be utilized at the hearing. In addition, where appropriate and directed by the arbitrator at the pre-hearing conference, the parties will enter into a stipulation as to uncontested facts within fourteen (14) days prior to the arbitration hearing.

(c) Additional discovery will be available on application to and obtaining an order from the arbitrator, pursuant to AAA rules.

7. **Authority of Arbitrator** – The parties agree that the arbitrator presiding over an Arbitrable Claim shall apply all relevant statutes and legal precedents there under and shall have the authority to award any equitable or monetary relief available under the applicable law(s) alleged to have been violated. The arbitrator shall additionally have the power and authority to entertain and rule upon motions to dismiss and/or for summary judgment pursuant to the rules, standards and case precedent prevailing under Federal Rules of Civil Procedure 12(b)(6) and 56, provided it is reasonably clear that the party opposing the motion has failed to state a legally actionable Arbitrable Claim, will have insufficient evidence to present at the arbitration hearing in support of the Arbitrable Claim or has failed to satisfy Executive's burden of proof during the course of the hearing.

8. **Fees and Costs** – The fees of the AAA and the arbitrator shall be split by the parties. The Arbitrator shall have the discretion to render an award of arbitration fees and costs to the prevailing party.

9. **Representation by Counsel** – Both parties are free to be represented by counsel in connection with any Arbitrable Claim or at any arbitration hearing. All fees and costs of a party's counsel and any expert witnesses shall be borne exclusively by that party, unless after the conclusion of the arbitration proceeding the arbitrator awards reasonable attorneys' fees to a party as the "prevailing party," on all or part of any claims, pursuant to a statute alleged to have been violated which provides for such relief, or pursuant to Paragraphs 5(e) or 6(d) of the Agreement.

10. **Privacy of Proceedings and Results** – Unless otherwise agreed by the parties, the arbitration proceedings and the results thereof may not be reported to or discussed with any news agency or legal publisher or service, or any person or entity not directly involved in the dispute, except the parties' counsel and financial advisors, Executive's immediate family, legal advisors and financial advisors, and where: (i) disclosure is relating to any investigation or action by Securities and Exchange Commission or (ii) where required by any other federal, state or local governmental agency, in which case, Executive shall provide prompt notice of such to the Company .

11. **Judicial Proceedings Related To Arbitration Award / Service Requirements** – The parties consent to the application of New York or Federal Arbitration Statutes and to the jurisdiction of the New York Supreme Court, New York County, and of the United States District Court for the Southern District of New York, for judgment on an award and for all other purposes in connection with said arbitration and further consent that any notice, process or notice of motion or other application to either of said courts or judges thereof, or of any notice in connection with any arbitration hereunder, may be served by certified or registered mail, return receipt requested, or by personal service, or in such other manner as may be permitted under the rules of the AAA or of either of said courts. Judgment upon the award rendered may be entered by any court having jurisdiction. Any provisional remedy which, but for this Agreement, would be available at law, shall be available to the parties hereto pending the final award of the arbitrator.

12. **Preclusive Effect And Bar To Other Proceedings** – This arbitration provision precludes litigation or re-litigation in any federal, state or local court or any administrative agency or other forum by the parties hereto any Arbitrable Claim that has been, is being, will be, or could or should have been arbitrated under this Agreement, provided that nothing herein shall be construed as prohibiting Executive from exercising Executive's protected right to file a charge with the Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, New York State Division of Human Rights, New York City Commission on Human Rights or other federal, state or local governmental agency or to participate in such agency's investigation of a charge, provided further that Executive is barred by this Agreement from receiving relief from or the right to recover or share in payments of any amounts of money for any reason (including, without limitation, back pay, front pay or other damages, penalties, costs, expenses and attorneys' fees) in any proceeding, including those filed or pending in a court of law or before the Equal Employment Opportunity Commission, National Labor Relations Board, Securities and Exchange Commission, New York State Division of Human Rights, New York City Commission on Human Rights or other governmental agency, except for certain claims filed with the Securities and Exchange Commission, actions to compel arbitration or to enforce an Arbitrator's award under this Agreement.

13. **Severability** – Should any portion of this arbitration provision be declared or determined by a court to be illegal or invalid, the court shall have the power to modify the same so that it conforms with prevailing law and the validity of the remaining parts, terms or provisions shall not be affected thereby.

14. **Acknowledgment** – Executive expressly acknowledges and agrees that Executive has carefully read this arbitration provision; that Executive understands the terms, conditions and significance of this commitment; that Executive has had ample time to consider this provision and to review it with counsel; and that by executing this Agreement, Executive has agreed to this arbitration provision voluntarily and knowingly.

Exhibit 10.6

FIRST AMENDMENT
TO THE
EMPLOYMENT AGREEMENT

This First Amendment (the "**Amendment**") to the Agreement (as defined below) by and between iAnthus Capital Management, LLC, a Delaware limited liability company ("**iAnthus**" or the "**Company**"), and Randy Maslow ("**Executive**"), is dated as of April 4, 2020. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Agreement.

WHEREAS, iAnthus and Executive entered into that certain Employment Agreement dated as of October 10, 2019 (the "**Agreement**"); and

WHEREAS, iAnthus and Executive desire to amend the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. **Section 3(a) of the Agreement.** Section 3(a) of the Agreement shall be deleted in its entirety and replaced with the following:

"(a) Base Cash Compensation

Executive's annual base salary shall be Four Hundred Fifty Thousand Dollars and No Cents ($450,000.00) per annum paid in bi-weekly installments and an annual lump sum cash payment in an amount determined by the Compensation Committee (collectively, "Base Salary"), which gross sums shall be less statutory withholding taxes and required deductions. Executive shall be paid in accordance with the Company's standard payroll practices. Executive's Base Salary shall be reviewed in accordance with the Company's policies as from time to time in effect and may be increased but not decreased below the annual rate stated in the foregoing sentence in this Section 3(a). The Company and Executive acknowledge that the annual lump sum cash payment for the calendar year 2020 shall be an amount of Two Hundred Twenty-five Thousand Dollars and No Cents ($225,000.00) and be paid no later than January 31, 2021."

2. **Section 3(b) of the Agreement.** Section 3(b) of the Agreement shall be deleted in its entirety and replaced with the following:

"(b) Bonus

In addition to Executive's Base Salary, beginning on January 1, 2019, Executive shall be eligible to receive an annual incentive bonus (the "Incentive Bonus") in the sole discretion of the Board of Directors. The applicable criteria for achieving an Incentive Bonus shall be established annually by the Board of Directors, in its sole discretion, as soon as practicable. Any Incentive Bonus earned shall be payable no later than March 15th of the fiscal year after the fiscal year in which it was earned. Executive acknowledges that an incentive bonus of Two Hundred Thousand Dollars and No Cents ($200,000.00) was paid on February 25th, 2020 for calendar year 2019."

3. **Section 3(c)(i) of the Agreement.** Section 3(c)(i) of the Agreement shall be deleted in its entirety and replaced with the following:

(c) Options. (i) Time Vesting Options.

On February 1st of each calendar year during the term of this Agreement or the first day thereafter that the Company is permitted to make option grants to executives of the Company (each, a "Grant Date"), Executive shall receive a grant of stock options ("Time Vested Options") to purchase Common Shares ("Shares") of iAnthus Capital Holdings, Inc. ("Holdings") pursuant to the iAnthus Capital Holdings, Inc. Amended and Restated Omnibus Incentive Plan (the "Plan") with a value (the "Option Value") equal to One Million Sixty-Six Thousand Six Hundred and Sixty-Seven Dollars ($1,066,667.00) per annum minus the value of the current year Base Salary, which shall be incentive stock options to the maximum extent permitted. The exercise price of the Time Vested Option shall by equal to the Fair Market Value (as defined in the Plan), shall expire ten years after the Grant Date and shall vest in 12 equal quarterly installments commencing on the last day of the calendar quarter following the Grant Date and otherwise pursuant to the terms and conditions of Holdings' form of Award Agreement (as defined in the plan). Executive acknowledges that the options to purchase 206,506 Common Shares on August 6th, 2019 reflect the Time Vested Option grants for calendar year 2019. The Executive acknowledges that the Company may satisfy the obligation of Time Vested Options by a grant of stock options or restricted stock units."

4. **Section 3(c)(ii) of the Agreement.** Section 3(c)(ii) of the Agreement shall be amended to add the following as the last sentence:

"**(c) Options.** (ii) Performance Options.

The Executive acknowledges that the Company may satisfy the obligation of Performance Options by a grant of stock options or restricted stock units."

5. **Section 4(d) of the Agreement.** Section 4(d) of the Agreement shall be deleted in its entirety and replaced with the following:

"(d) Termination By Executive Without Good Reason.

Should Executive resign or otherwise leave Executive's employment with the Company during the Term of the Agreement other than for "Good Reason" (as defined in paragraph 4(e) below), Executive must provide the Company with thirty (30) days' advance written notice ("Transition Notice"). Provided that Executive provides the required notice, the Company shall be required to pay Executive all accrued and unpaid salary and all issued vested Options (whether Time Vested Options or Performance Options) shall continue to be exercisable but any unvested Options (whether Time Vested Options or Performance Options) shall terminate and be of no further force and effect. Should the Company choose to release Executive during the one (1) month Transition Notice period, it shall pay to Executive Executive's salary and other benefits for the remainder of the Transition Notice period and any Options that would have vested during the remainder of the Transition Notice period shall also vest but the Company shall have no further obligations to Executive thereafter. In the event Executive resigns without Good Reason and fails to provide Transition Notice, Executive shall be in breach of this Agreement and shall be liable for damages suffered by the Company as a result of Executive's contract breach. Should Executive terminate Executive's employment without Good Reason and without providing Transition Notice, the Company shall be relieved of its obligations to Executive under this Agreement, other than to pay Executive any salary earned to date and any unvested Options (whether Time Based Options or Performance Based Options) shall terminate and be of no further force and effect. In addition, the Company shall provide Executive with any benefit continuation rights as required by law."

6. **Miscellaneous.** Except as otherwise expressly provided in this Amendment, the terms and conditions of the Agreement shall remain unchanged and in full force and effect. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which when affixed together shall constitute but one and the same instrument. Signatures exchanged by facsimile or electronic document signing services shall be deemed original signatures for all purposes.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date written below.

iANTHUS CAPITAL MANAGEMENT, LLC
by iAnthus Capital Holdings, Inc.,

By:	/s/ Hadley Ford	4/4/20
	Hadley Ford	Date
	Chief Executive Officer	
By:	/s/ Randy Maslow	4/4/20
	Randy Maslow	Date

Exhibit 10.7

[*] Certain information in this document has been omitted from this exhibit because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

RESTRUCTURING SUPPORT AGREEMENT

Made as of July 10, 2020

Among

IANTHUS CAPITAL HOLDINGS, INC.
("**iAnthus**" or the "**Company**") and

EACH OF THE SUBSIDIARIES LISTED ON SCHEDULE A HERETO
(collectively, the "**Subsidiaries**" and each a "**Subsidiary**")

and

EACH OF THE OTHER SIGNATORIES TO THIS SUPPORT AGREEMENT THAT IS A LENDER

and

EACH OF THE OTHER SIGNATORIES TO THIS SUPPORT AGREEMENT THAT IS A CONSENTING DEBENTURE HOLDER

and

EACH OF THE OTHER SIGNATORIES TO THIS SUPPORT AGREEMENT BY JOINDER AGREEMENT

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TABLE OF CONTENTS

RESTRUCTURING SUPPORT AGREEMENT

This Support Agreement is made as of July 10, 2020 among

IANTHUS CAPITAL HOLDINGS, INC.
("**iAnthus**" or the "**Company**")

and

EACH OF THE SUBSIDIARIES LISTED ON SCHEDULE A HERETO
(collectively, the "**Subsidiaries**" and each a "**Subsidiary**")

and

EACH OF THE OTHER SIGNATORIES TO THIS SUPPORT AGREEMENT THAT IS A LENDER

and

EACH OF THE OTHER SIGNATORIES TO THIS SUPPORT AGREEMENT THAT IS A CONSENTING DEBENTURE HOLDER

and

EACH OF THE OTHER SIGNATORIES TO THIS SUPPORT AGREEMENT BY JOINDER AGREEMENT

RECITALS

A. This restructuring support agreement (the "**Support Agreement**") sets out the agreement among (i) iAnthus, (ii) the Subsidiaries, (iii) each of the other signatories to this Support Agreement that is a Lender (as defined herein), (iv) each of the other signatories to this Support Agreement that is a Consenting Debenture Holder (as defined herein), and (v) a party by Joinder Agreement (as defined herein), regarding a recapitalization transaction (the "**Recapitalization Transaction**") in respect of the Company and the Subsidiaries (iAnthus and the Subsidiaries, the "**iAnthus Parties**" and each an "**iAnthus Party**"), as more fully described in the recapitalization term sheet attached as Schedule C (the "**Term Sheet**", with the terms of the Recapitalization Transaction set out therein and herein being, collectively, the '**Recapitalization Transaction Terms**"), which Recapitalization Transaction Terms are to form the basis of the Recapitalization Transaction to be implemented pursuant to (i) a plan of arrangement (the "**Plan**") to be filed by the Company in proceedings to be commenced under the British Columbia Business Corporations Act (the "**BCBCA**" and, such proceedings, the "**Arrangement Proceedings**") before the Court (as defined herein), or alternatively (ii) the CCAA Plan (as defined herein) pursuant to a CCAA Proceeding (as defined herein) in accordance with the terms of this Support Agreement, before the Court.

B. Capitalized terms used but not otherwise defined in the main body of this Support Agreement have the meanings given to them in Schedule B.

FOR VALUE RECEIVED, the parties agree as follows:

Section 1.1 Recapitalization Transaction

The Recapitalization Transaction Terms as agreed among the Parties are set forth in this Support Agreement and the Term Sheet, which Term Sheet is incorporated herein and made a part of this Support Agreement. In the case of a conflict between the provisions contained in the main body of this Support Agreement and the Term Sheet, the provisions of the main body of this Support Agreement shall govern. In the case of a conflict between the provisions contained in this Support Agreement or the Term Sheet and the Plan, the terms of the Plan shall govern.

Section 1.2 Representations and Warranties of the Consenting Debenture Holders

Each Consenting Debenture Holder, severally and not jointly, hereby represents and warrants to each Lender and each iAnthus Party (and acknowledges that each Lender and each iAnthus Party is relying on such representations and warranties) that:

(a) except as otherwise disclosed by such Consenting Debenture Holder to each Lender and the Company in writing on or prior to the date of this Support Agreement, it is either the sole beneficial owner of, or has the sole voting and investment discretion over:

(i) 2023 Debentures in the aggregate principal amount(s) set forth on its signature page to this Support Agreement (collectively, the "**Relevant Unsecured Debt**"), together with all obligations owing in respect of the Relevant Unsecured Debt, including accrued and unpaid interest and any other amount that such Consenting Debenture Holder is entitled to claim in respect of the Relevant Unsecured Debt pursuant to the Unsecured Debt Documents or otherwise, and no other Unsecured Debt (except as set forth herein); and

(ii) (ii) that number of Common Shares set forth on its signature page to this Support Agreement (the "**Debenture Holder Relevant Shares**"), and no other Existing Shares (except as set forth herein);

(b) it has the authority to vote or direct the voting of its Relevant Unsecured Debt and Debenture Holder Relevant Shares in the Arrangement Proceedings or the CCAA Proceeding;

(c) it: (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Support Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Support Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied in such analysis or decision on any Person other than its own independent advisors;

(d) this Support Agreement has been duly authorized, executed and delivered by it, and, assuming the due authorization, execution and delivery by the other Parties, this Support Agreement constitutes the legal, valid and binding obligation of such Consenting Debenture Holder, enforceable against such Consenting Debenture Holder in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(e) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization and has all approvals necessary to execute and deliver this Support Agreement and to perform its obligations hereunder;

(f) the execution and delivery of this Support Agreement by it and the completion by it of the Recapitalization Transactions contemplated herein do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to such Consenting Debenture Holder or any of its properties or assets;

(g) except as contemplated by this Support Agreement or otherwise disclosed by such Consenting Debenture Holder to the Company in writing on or prior to the date of this Support Agreement, it has not deposited any of its Relevant Unsecured Debt or Debenture Holder Relevant Shares into a voting trust, or granted (or permitted to be granted) any proxies or powers of attorney or attorney in fact, or entered into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Unsecured Debt or Debenture Holder Relevant Shares, or caused any of its Relevant Unsecured Debt or Debenture Holder Relevant Shares, where such trust, grant, agreement, understanding, arrangement, lien, charge, encumbrance or similar restriction would reasonably be expected to restrict in any material manner the ability of such Consenting Debenture Holder to comply with its obligations under this Support Agreement, including the obligations in Section 1.5; and

(h) it is:

(i) an "**accredited investor**" as defined in Rule 501(a) of Regulation D, or

(ii) a "**qualified institutional buyer**" as defined under Rule 144A of the 1933 Act, or

(iii) it was outside the United States when it received the offer of the Transaction Securities, and at the time it executed and delivered this Agreement, and it is not acting for the account or benefit of a U.S. Person or a person in the United States;

(i) it acknowledges and agrees that:

(i) iAnthus is currently subject to a cease trade order (the "**Cease Trade Order**") issued by the Ontario Securities Commission on June 22, 2020 for failure to file certain financial statements and related periodic disclosure. As a result of the Cease Trade Order, pursuant to Multilateral Instrument 11-103 – Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions, a person or company must not trade in or purchase a security of iAnthus except in accordance with the conditions that are contained in the Cease Trade Order, for so long as the Cease Trade Order remains in effect;

(ii) none of the Transaction Securities have been or will be registered or qualified under the 1933 Act or any applicable securities laws of any jurisdiction by reason of a specific exemption from such registration or qualification provisions, the availability of which depends on, among other things, the bona fide nature of the investment intent and the accuracy of such Party's representations as expressed herein or otherwise made pursuant hereto;

(iii) the Transaction Securities are "restricted securities" as defined in Rule 144(a)(3) under the 1933 Act and subject to applicable resale restrictions under Canadian Securities Laws that, pursuant to these laws, the Party acquiring such Transaction Securities must hold them indefinitely unless they are registered with the United States Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements and any applicable Canadian prospectus requirements is available, and if such an exemption is available, it may be conditioned on, among other things, the time and manner of sale, the holding period for the Transaction Securities, information requirements or affiliate restrictions, and there can be no assurances that such requirements can be satisfied;

(iv) no public market now exists for certain of the Transaction Securities and there can be no assurances that a public market will ever exist;

(v) iAnthus has determined that it ceased to qualify as a Foreign Private Issuer as of June 28, 2019 (being the last business day of the second fiscal quarter of the fiscal year ended December 31, 2019), and ceased to be eligible to rely on the rules and forms available to Foreign Private Issuers after December 31, 2019;

(vi) Rule 905 of Regulation S provides in substance that any "restricted securities" that are equity securities of a U.S. Domestic Issuer, including an issuer that, like iAnthus, has ceased to be eligible to rely on the rules and forms available to Foreign Private Issuers, will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S, and, as interpreted by Staff at the SEC, Rule 905 applies to equity securities that, at the time of issuance were those of a U.S. Domestic Issuer; and

(vii) the Transaction Securities and any securities issued in respect of or in exchange for such securities may be notated with the following or a substantially similar legends, together with any other legend pursuant to applicable securities laws of any other state or jurisdiction:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. [If the Transaction Securities are being issued in an offshore transaction pursuant to Rule 903 of Regulation S, add: FURTHERMORE, THE SECURITIES REPRESENTED HEREBY CANNOT BE THE SUBJECT OF HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE CONDUCTED IN COMPLIANCE WITH THE U.S. SECURITIES ACT.]"**;**

Section 1.3 Representations and Warranties of the Lenders

Each Lender, severally and not jointly, hereby represents and warrants to each Consenting Debenture Holder and each iAnthus Party (and acknowledges that each Consenting Debenture Holder and each iAnthus Party is relying on such representations and warranties) that:

(a) except as otherwise disclosed by such Lender to each Consenting Debenture Holder and the Company in writing on or prior to the date of this Support Agreement, as of the date hereof it is the registered holder of:

(i) Secured Debentures in the aggregate principal amount(s) set forth on its signature page to this Support Agreement (collectively, the "**Relevant Secured Debt**"), and no other Secured Debentures (except as set forth herein or as contemplated in the Amended Secured Debenture Purchase Agreement); and

(ii) that number of outstanding Common Shares set forth on its signature page to this Support Agreement (the "**Lender Relevant Shares**"), and no other outstanding Common Shares (except as set forth herein);

(b) it has, or it has given Gotham Green Admin 1, LLC, the authority to vote or direct the voting of the Relevant Secured Debt and the Lender Relevant Shares in the Arrangement Proceedings or the CCAA Proceeding;

(c) it: (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Support Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Support Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied in such analysis or decision on any Person other than its own independent advisors;

(d) this Support Agreement has been duly authorized, executed and delivered by it, and, assuming the due authorization, execution and delivery by the other Parties, this Support Agreement constitutes the legal, valid and binding obligation of such Lender, enforceable against such Lender in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(e) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization and has all approvals necessary to execute and deliver this Support Agreement and to perform its obligations hereunder;

(f) the execution and delivery of this Support Agreement by it and the completion by it of the Recapitalization Transactions contemplated herein do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to such Lender or any of its properties or assets;

(g) it is:

(i) an "accredited investor" as defined in Rule 501(a) of Regulation D, or

(ii) it was outside the United States when it received the offer of the Transaction Securities, and at the time it executed and delivered this Agreement, and it is not acting for the account or benefit of a U.S. person or a person in the United States;

(h) it acknowledges and agrees that:

(i) none of the Transaction Securities have been or will be registered or qualified under the 1933 Act or any applicable securities laws of any jurisdiction by reason of a specific exemption from such registration or qualification provisions, the availability of which depends on, among other things, the bona fide nature of the investment intent and the accuracy of such Party's representations as expressed herein or otherwise made pursuant hereto;

(ii) the Transaction Securities are "restricted securities" as defined in Rule 144(a)(3) under the 1933 Act and subject to applicable resale restrictions under Canadian Securities Laws that, pursuant to these laws, the Party acquiring such Transaction Securities must hold them indefinitely unless they are registered with the United States Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements and any applicable Canadian prospectus requirements is available, and if such an exemption is available, it may be conditioned on, among other things, the time and manner of sale, the holding period for the Transaction Securities, information requirements or affiliate restrictions, and there can be no assurances that such requirements can be satisfied;

(iii) no public market now exists for certain of the Transaction Securities and there can be no assurances that a public market will ever exist;

(iv) iAnthus has determined that it ceased to qualify as a Foreign Private Issuer as of June 28, 2019 (being the last business day of the second fiscal quarter of the fiscal year ended December 31, 2019), and ceased to be eligible to rely on the rules and forms available to Foreign Private Issuers after December 31, 2019;

(v) Rule 905 of Regulation S provides in substance that any "restricted securities" that are equity securities of a U.S. Domestic Issuer, including an issuer that, like iAnthus, has ceased to be eligible to rely on the rules and forms available to Foreign Private Issuers, will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S, and, as interpreted by Staff at the SEC, Rule 905 applies to equity securities that, at the time of issuance were those of a U.S. Domestic Issuer; and

(vi) the Transaction Securities and any securities issued in respect of or in exchange for such securities may be notated with the following or a substantially similar legends, together with any other legend pursuant to applicable securities laws of any other state or jurisdiction:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EXEMPTION OR EXCLUSION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. [If the Transaction Securities are being issued in an offshore transaction pursuant to Rule 903 of Regulation S, add: FURTHERMORE, THE SECURITIES REPRESENTED HEREBY CANNOT BE THE SUBJECT OF HEDGING TRANSACTIONS UNLESS SUCH TRANSACTIONS ARE CONDUCTED IN COMPLIANCE WITH THE U.S. SECURITIES ACT.]";

Section 1.4 Representations and Warranties of the iAnthus Parties

Each iAnthus Party (except if the representation is explicitly applicable to the Company only) jointly and severally represents and warrants to each Lender and each Consenting Debenture Holder (and each iAnthus Party acknowledges that each Lender and each Consenting Debenture Holder is relying upon such representations and warranties) that:

(a) the board of directors of iAnthus and the boards of directors of each Subsidiary have (i) reviewed the Term Sheet, the Recapitalization Transaction Terms, the Interim Financing and this Support Agreement, (ii) approved the transactions contemplated by the Recapitalization Transaction and Term Sheet, and (iii) determined that such transactions are in the best interest of the Company and each Subsidiary, as applicable;

(b) it: (i) is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Support Agreement; (ii) has conducted its own analysis and made its own decision to enter into this Support Agreement; (iii) has obtained such independent advice in this regard as it deemed appropriate; and (iv) has not relied in such analysis or decision on any Person other than its own independent advisors;

(c) this Support Agreement has been duly authorized, executed and delivered by it, and, assuming the due authorization, execution and delivery by each of the other Parties, this Support Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;

(d) it is duly organized, validly existing, and in good standing with respect to filing annual reports under the Laws of the jurisdiction of its incorporation or formation, as the case may be, and it has all requisite corporate power and corporate capacity to enter into this Support Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby;

(e) the execution and delivery of this Support Agreement by it and satisfaction of the obligations hereunder, and the completion of the transactions contemplated herein do not and will not (i) subject to obtaining all requisite approvals required pursuant to the Plan, violate or conflict in any material respect with any Law applicable to it or any of its property or assets or (ii) result (with due notice or the passage of time or both) in a violation, conflict or breach of, or constitute a default under, or require any consent to be obtained under its certificate of incorporation, articles, by-laws or other constating documents;

(f) all financial information that has been provided or made available to the Consenting Debenture Holders and the Lenders, their affiliates or their respective Creditor Advisors by the Company or the Company's financial advisors, has been prepared in good faith and fairly reflects in all material respects as of the dates thereof, its financial condition and the results of its operations;

(g) no litigation or proceeding is pending against it before any court, arbitrator, or administrative or governmental body that would materially and adversely affect its ability to enter into this Support Agreement or perform its obligations hereunder, except such actions that first require the Plan to be sanctioned;

(h) it is conducting its business in compliance with all applicable Laws in all material respects, and neither it, nor any of the other specified entities has received any notice to the effect that, or otherwise has been advised that, it, or any of the other specified entities is not in compliance with such Laws;

(i) no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase, or other acquisition from it, of any of its material properties and assets, other than (i) inventory to be sold in the ordinary course of business or pursuant to contractual wholesale arrangements, or (ii) relating to the sale of the Non-Material Properties (as defined herein);

(j) except as otherwise disclosed by the Company to each Lender and to each Consenting Debenture Holder in writing on or prior to the date of this Support Agreement, there are no "change of control" payments or similar payments or compensation that would be payable to its senior officers or to any of its directors, officers or employees as a result of the implementation of the transactions contemplated by this Support Agreement and the Plan;

(k) no event or circumstance has occurred which constitutes, or which with the giving of notice, lapse of time, or both would constitute an event of default under any material contracts, to which it is a party, that would be reasonably expected to result in a Material Adverse Change;

(l) neither the Recapitalization Transaction nor the Arrangement Proceedings will cause a material default or event of default under any material contract now in effect that is expected to remain in effect upon the implementation of the Plan in accordance with its terms (other than those defaults or events of default that are remedied, waived, stayed, extinguished, or otherwise in any way rendered inoperative as part of the Arrangement Proceedings);

(m) except as otherwise disclosed by the Company to each Lender and to each Consenting Debenture Holder in writing on or prior to the date of this Support Agreement, it is not a party to any contract with any person that would give rise to a valid claim against the Company, the Lenders or the Consenting Debenture Holders for a brokerage commission, finder's fee or like payment in connection with the Recapitalization Transaction;

(n) other than as set forth herein, the capital stock, limited liability company interests, partnership interests or other equity ownership or profits interests, and any options, warrants, conversion privileges or rights of any kind to acquire any capital stock, limited liability company interests, partnership interests or other equity, ownership or profits interests (collectively, the "Equity Interests") in each of the iAnthus Parties constitute 100% of the issued and outstanding Equity Interests. The issued and outstanding Equity Interests have been duly authorized, validly issued, fully paid and are non-assessable. Such Equity Interests are not subject to any voting trusts, proxies or other contracts or understandings with respect to voting any of such Equity Interests;

(o) its properties are insured with financially sound and reputable insurance companies that are not affiliates of any of the iAnthus Parties or any of the other specified entities, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where it operates;

(p) it has implemented and maintains in effect policies and procedures designed to ensure compliance by it and its respective directors, officers, employees and agents and other persons acting on behalf of it with money laundering Laws, anti-corruption Laws and applicable sanctions. It and its respective directors, officers, employees and agents and other persons acting on behalf of it are in compliance with money laundering Laws, anti-corruption Laws and applicable sanctions. Neither it nor its respective directors, officers, employees and agents and other persons acting on behalf of them is a sanctioned person;

(q) for the purposes of the Recapitalization Transaction, it is indebted to the Unsecured Debenture Holders under the 2023 Debentures in the principal amount of US$60,000,000, plus accrued but unpaid interest and all other amounts (including fees, costs and expenses); and

(r) for the purposes of the Recapitalization Transaction, as of the date hereof, it is indebted to the Lenders under the Existing Secured Debenture Purchase Agreement in the principal amount of US$97,507,777.78, plus accrued but unpaid interest and all other amounts (including fees, costs and expenses).

Section 1.5 Consenting Debenture Holders' Covenants and Agreements

Subject to, and in consideration of, the matters set forth in Section 1.6 and Section 1.7, as long as this Support Agreement has not expired or been terminated in accordance with the terms hereof, each Consenting Debenture Holder (severally and not jointly) hereby acknowledges, covenants and agrees, subject to the terms set forth herein:

(a) to consent to and support the Recapitalization Transaction Terms and the implementation of same pursuant to a Plan in the Arrangement Proceedings in accordance with the Recapitalization Transaction Terms, provided that the Plan is consistent with the Recapitalization Transaction Terms, including, without limitation, treatment of affected stakeholders;

(b) not to, directly or indirectly, from the date hereof to the date this Support Agreement is terminated:

(i) except as contemplated by the Term Sheet, sell, assign, lend, pledge, hypothecate, dispose or otherwise transfer (in each case, "**Transfer**") any of its Relevant Unsecured Debt or Debenture Holder Relevant Shares or any rights or interests therein (or permit any of the foregoing with respect to any of its Relevant Unsecured Debt or Debenture Holder Relevant Shares) or enter into any agreement, arrangement or understanding in connection therewith except with the prior written consent of iAnthus, *provided* that each Consenting Debenture Holder may, subject to applicable securities laws, without the consent of iAnthus, Transfer some or all of its Relevant Unsecured Debt or Debenture Holder Relevant Shares to: (I) any other fund managed by the Consenting Debenture Holder (or an Affiliate) for which the Consenting Debenture Holder (or such Affiliate) has the voting and investment discretion, including discretionary authority to manage or administer funds and continues to exercise investment and voting authority with respect to the transferred Relevant Unsecured Debt or Debenture Holder Relevant Shares and such Consenting Debenture Holder (or such Affiliate) shall continue to be bound by this Support Agreement in respect of any such Relevant Unsecured Debt or Debenture Holder Relevant Shares, (II) any other Consenting Debenture Holder, in which event, (x) the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Support Agreement in respect of such transferred Relevant Unsecured Debt or Debenture Holder Relevant Shares, and (y) the transferee shall be bound by the terms of this Support Agreement in respect of such transferred Relevant Unsecured Debt or Debenture Holder Relevant Shares, and (III) any other Person *provided* that in the case of any such Transfer pursuant to this clause (III), such Person has executed a Joinder Agreement with respect to the transferred Relevant Unsecured Debt or Debenture Holder Relevant Shares, in which event, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Support Agreement in respect of such transferred Relevant Unsecured Debt or Debenture Holder Relevant Share. Notwithstanding the foregoing, no Transfer may be made if, after reasonable consultation with the Company, such Consenting Debenture Holder and the Company conclude that such Transfer could reasonably be expected to hinder or delay the Company in obtaining regulatory approval of the Recapitalization Transaction; or

(ii) except as contemplated by this Support Agreement, to deposit any of its Relevant Unsecured Debt or Debenture Holder Relevant Shares into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its Relevant Unsecured Debt or Debenture Holder Relevant Shares if such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Consenting Debenture Holder to comply with its obligations under this Support Agreement, including the obligations in this Section 1.5;

(c) to act in good faith and take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Recapitalization Transactions in accordance with the terms and conditions set forth in the Recapitalization Transaction Terms and use its reasonable best efforts to support the Recapitalization Transactions contemplated by this Support Agreement and the Term Sheet, as applicable, including, without limitation, assisting with applicable regulatory approvals and license transfers;

(d) not to take any action that is inconsistent, in any material respect, with its obligations under this Support Agreement or that would frustrate, hinder or delay the consummation of the Recapitalization Transaction and the Plan; provided that nothing in this Support Agreement shall restrict, limit, prohibit, or preclude, in any manner not inconsistent with its obligations under this Support Agreement, any of the Consenting Debenture Holders from, (A) enforcing any rights under this Support Agreement, including any consent or approval rights set forth herein, or (B) contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Support Agreement, or exercising any rights or remedies reserved herein;

(e) with respect solely to Oasis Investments II Master Fund Inc., from the date of the Support Agreement until the earlier of its expiry or termination, not to take any steps to advance towards trial the claim and counterclaim proceeding under Ontario Superior Court of Justice Court File Number CV-20-00637038-0000 (the "**Oasis Litigation**"), whether pursuant to the Rules of Civil Procedure (Ontario) or otherwise, including, without limitation, the service of any pleading, request for discovery from iAnthus or any relief or direction from the aforementioned court;

(f) to vote (or cause to be voted) all of its Relevant Unsecured Debt and Debenture Holder Relevant Shares (including any Existing Shares acquired by such Consenting Debenture Holder after execution of this Support Agreement), as applicable:

(i) in favour of the approval, consent, ratification and adoption of the Plan (and any actions required in furtherance thereof) in accordance with the terms herein, provided that the Plan is consistent in all respects with the Recapitalization Transaction Terms; and

(ii) against the approval, consent, ratification and adoption of any matter or transaction that, if approved, consented to, ratified or adopted could reasonably be expected to delay, challenge, frustrate or hinder the consummation of the Recapitalization Transaction or the Plan, as applicable,

and that it shall tender its proxy for any such vote in compliance with any deadlines set forth in the Interim Order;

(g) not to withdraw, amend, or revoke, its tender, consent, or vote with respect to the Plan; *provided, however*, that such vote may be revoked (and, upon such revocation, deemed void ab initio) by such Consenting Debenture Holder at any time if this Support Agreement is terminated with respect to such Consenting Debenture Holder (it being understood by the Parties that any modification of the Plan that results in a termination of this Support Agreement pursuant to Section 1.16 hereof shall entitle such Consenting Debenture Holder an opportunity to change its vote);

(h) not to propose, file, solicit, vote for or otherwise support any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Company, including any proceeding under the BCBCA, other legislation or otherwise, that is inconsistent with the Recapitalization Transaction and the Plan, except with the prior written consent of the Company and the Lenders;

(i) to support, and to instruct their respective advisors to support all motions filed by the Company in the Arrangement Proceedings that are consistent with and in furtherance of the Recapitalization Transaction and the Plan and, if requested by the Company, provide commercially reasonable assistance to the Company in obtaining any required regulatory approvals and/or required material third party approvals to effect the Recapitalization Transaction, in each case at the expense of the Company;

(j) not to take any other action that is materially inconsistent with its obligations under this Support Agreement and the Term Sheet;

(k) to, until termination or expiration of this Support Agreement, forbear from further exercising any rights or remedies in connection with any events of default that now exist or may in future arise under any Unsecured Debt Document or any other agreement to which the Consenting Unsecured Debenture Holders are party with the Company, (the "**Unsecured Document Defaults**") and shall take such steps as are necessary to stop any current or pending enforcement efforts in relation thereto; and

(l) subject to Section 1.20 hereof, to allow the Company to disclose the existence and factual details of this Support Agreement with respect to any public disclosure, including, without limitation, press releases and court materials, and the filing of this Support Agreement on SEDAR and with the Court in connection with the Arrangement Proceedings.

Section 1.6 Lenders' Covenants and Agreements

Subject to, and in consideration of, the matters set forth in Section 1.5 and Section 1.7, as long as this Support Agreement has not expired or been terminated in accordance with the terms hereof, each Lender (severally and not jointly) hereby acknowledges, covenants and agrees:

(a) to the Recapitalization Transaction Terms and the implementation of same pursuant to the Arrangement Proceedings in accordance with the terms of this Support Agreement and the Milestones;

(b) to execute the Amended Secured Debenture Purchase Agreement (as defined herein) concurrently with this Support Agreement;

(c) with respect only to the Tranche 4 Lenders (as defined in the Amended Secured Debenture Purchase Agreement), within three (3) Business Days following the execution of this Support Agreement, to advance US$14,000,000 to iAnthus Capital Management, LLC in accordance with the Amended Secured Debenture Purchase Agreement;

(d) not to, directly or indirectly, from the date hereof to the date this Support Agreement is terminated:

(i) except as contemplated by the Term Sheet, Transfer any of its Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares or any rights or interests therein (or permit any of the foregoing with respect to any of its Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares) or enter into any agreement, arrangement or understanding in connection therewith except with the prior written consent of iAnthus, *provided* that each Lender may, subject to applicable securities laws, without the consent of iAnthus, Transfer some or all of its Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares to: (I) any other fund managed by the Lender (or an Affiliate) for which the Lender (or such Affiliate) has the voting and investment discretion, including discretionary authority to manage or administer funds and continues to exercise investment and voting authority with respect to the transferred Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares and such Lender (or such Affiliate) shall continue to be bound by this Support Agreement in respect of any such Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares, and (II) any other Person *provided* that in the case of any such Transfer pursuant to this clause (II), such Person has executed a Joinder Agreement with respect to the transferred Relevant Secured Debt, Tranche 4 Debentures or Debenture Holder Relevant Shares, in which event, the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Support Agreement in respect of such transferred Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Share. Notwithstanding the foregoing, no Transfer may be made if, after reasonable consultation with the Company, such Lender and the Company conclude that such Transfer could reasonably be expected to hinder or delay the Company in obtaining regulatory approval of the Recapitalization Transaction; or

(ii) except as contemplated by this Support Agreement, deposit any of its Lender Relevant Shares into a voting trust, or grant (or permit to be granted) any proxies or powers of attorney or attorney in fact, or enter into a voting agreement, understanding or arrangement, with respect to the voting of its Lender Relevant Shares if such trust, grant, agreement, understanding or arrangement would in any manner restrict the ability of the Lender to comply with its obligations under this Support Agreement, including the obligations in this Section 1.5;

(e) to act in good faith and take all commercially reasonable actions that are reasonably necessary or appropriate to promptly consummate the Recapitalization Transactions in accordance with the Recapitalization Transaction Terms and use its reasonable best efforts to support the Recapitalization Transactions contemplated by this Support Agreement and the Recapitalization Transaction Terms, as applicable, including, without limitation, assisting with applicable regulatory approvals and license transfers;

(f) not to take any action that is inconsistent, in any material respect, with its obligations under this Support Agreement or that would frustrate, hinder or delay the consummation of the Recapitalization Transaction and the Plan; *provided* that nothing in this Support Agreement shall restrict, limit, prohibit, or preclude, in any manner not inconsistent with its obligations under this Support Agreement, any of the Lenders from, (A) enforcing any rights under this Support Agreement, including any consent or approval rights set forth herein, or (B) contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Support Agreement, or exercising any rights or remedies reserved herein;

(g) to vote (or cause to be voted) all of its Relevant Secured Debt, Tranche 4 Debentures and Lender Relevant Shares (including any Existing Shares acquired by such Lender after execution of this Support Agreement), as applicable:

(i) in favour of the approval, consent, ratification and adoption of the Plan (and any actions required in furtherance thereof) in accordance with the terms herein, provided that the Plan is consistent in all respects with the Recapitalization Transaction Terms; and

(ii) against the approval, consent, ratification and adoption of any matter or transaction that, if approved, consented to, ratified or adopted could reasonably be expected to delay, challenge, frustrate or hinder the consummation of the Recapitalization Transaction or the Plan, as applicable,

and that it shall tender its proxy for any such vote in compliance with any deadlines set forth in the Interim Order;

(h) not to withdraw, amend, or revoke, its tender, consent, or vote with respect to the Plan; *provided*, *however*, that such vote may be revoked (and, upon such revocation, deemed void ab initio) by such Lender at any time if this Support Agreement is terminated with respect to such Lender (it being understood by the Parties that any modification of the Plan that results in a termination of this Support Agreement pursuant to Section 1.16 hereof shall entitle such Lender an opportunity to change its vote);

(i) not to propose, file, solicit, vote for or otherwise support any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement or reorganization of or for the Company, including any proceeding under the BCBCA, other legislation or otherwise, that is inconsistent with the Recapitalization Transaction and the Plan, except with the prior written consent of the Company and the Initial Consenting Debenture Holders;

(j) to support, and to instruct their respective Creditor Advisors to support all motions filed by the Company in the Arrangement Proceedings that are consistent with and in furtherance of the Recapitalization Transaction and the Plan and, if requested by the Company, provide commercially reasonable assistance to the Company in obtaining any required regulatory approvals and/or required material third party approvals to effect the Recapitalization Transaction, in each case at the expense of the Company;

(k) not to take any other action that is materially inconsistent with its obligations under this Support Agreement and the Term Sheet;

(l) to, until termination or expiration of this Support Agreement, (i) forbear from exercising or continuing to exercise any rights or remedies in connection with any events of default that now exist or may in the future arise under the Secured Debentures or any other Transaction Agreement (as defined in the Secured Debentures) or any other agreement to which a Lender is party with any iAnthus Party (the "**Secured Debenture Defaults**"), (ii) (and is hereby deemed to) withdraw and revoke any attempted exercise of an Irrevocable Proxy Coupled with an Interest issued by any iAnthus Party, and (iii) take such steps as are necessary to stop any current or pending enforcement efforts or exercise of rights including but not limited to taking the following actions in relation to the UCC Sale Process (as defined in the Term Sheet): (a) cancel and cease the UCC Sale Process, including any marketing efforts by Roth Capital Partners and any discussions, diligence or any activity in furtherance of such a sale process, and (b) cause the Collateral Agent to immediately issue, or cause to be issued, necessary notices to cancel any sale transaction contemplated by the UCC Sale Process; and

(m) subject to Section 1.15 and Section 1.16 hereof, to allow the Company to disclose the existence and factual details of this Support Agreement with respect to any public disclosure, including, without limitation, press releases and court materials, and the filing of this Support Agreement on SEDAR and with the Court in connection with the Arrangement Proceedings.

Section 1.7 iAnthus Parties' Covenants and Agreements

Subject to, and in consideration of, the matters set forth in Section 1.5 and Section 1.6, as long as this Support Agreement has not expired or been terminated in accordance with the terms hereof, each iAnthus Party (jointly and severally) acknowledges, covenants and agrees:

(a) to the Recapitalization Transaction Terms;

(b) to pursue the completion of the Recapitalization Transaction in good faith by way of the Plan on the timetable set forth herein, and not to take any action that is inconsistent with the terms of this Support Agreement or that it would be prohibited from doing directly or indirectly under this Support Agreement;

(c) to file the Plan on a timely basis consistent with the terms and conditions of this Support Agreement, to recommend to any Person entitled to vote on the Plan that they vote to approve the Plan and to take all reasonable actions necessary to obtain any regulatory approvals for the Recapitalization Transaction and to achieve the following timeline with respect to the Arrangement Proceedings (which timeline may be extended at any time as agreed by the Company, the Lenders and the Initial Consenting Debenture Holders):

(i) filing the application in the Arrangement Proceedings seeking the Interim Order by no later than July 30, 2020;

(ii) obtaining entry of the Interim Order by the Court, in form and substance satisfactory to the Company, Lenders and Initial Consenting Debenture Holders, each acting reasonably, by no later than August 7, 2020;

(iii) commencing solicitation procedures with respect to the Plan on or before August 17, 2020;

(iv) calling, holding and conducting the meetings contemplated by the Interim Order by no later than September 21, 2020;

(v) causing the Plan to be approved by the Court pursuant to the Final Order, in form and substance satisfactory to the Company, Lenders, and Initial Consenting Debenture Holders, each acting reasonably, by no later than September 28, 2020;

(vi) implementing the Recapitalization Transaction pursuant to the Plan on or prior to the Outside Date; and

(vii) if applicable, complying with the timelines and terms set forth in Schedule E;

Each of the foregoing deadlines shall be automatically extended by up to three (3) Business Days on written notice by the Company to the Lenders and the Initial Consenting Debenture Holders, delivered no later than the applicable deadline set out above, that it is taking all reasonable actions necessary to meet its obligations thereunder.

(d) to cooperate and work in good faith with Cassels Brock & Blackwell LLP ("**Cassels**") and such other counsel to the Initial Consenting Debenture Holders, and Davies Ward Phillips & Vineberg LLP ("**Davies**") and such other counsel to the Lenders, (A) to prepare or cause to be prepared the Definitive Documents, each of which as applicable, for the avoidance of doubt, shall contain terms and conditions consistent with this Support Agreement and shall otherwise be in form and substance satisfactory to the Company, the Lenders and the Initial Consenting Debenture Holders, each acting reasonably, (B) to provide draft copies of the Definitive Documents and all other pleadings and documents the Company intends to file with the Court or otherwise disseminate, in each case, to the Creditor Advisors at least four (4) Business Days prior to the date when the Company intends to file or otherwise disseminate such documents (or, where circumstances make it impracticable to allow for four (4) Business Days' review, with as much opportunity for review and comment as is practically possible in the circumstances, but in no event less than two (2) Business Days' review unless otherwise agreed by the Lenders and the Initial Consenting Debenture Holders), and all such filings, proposed orders and other documents submitted to the Court shall be in a form consistent with this Support Agreement and the Term Sheet and otherwise acceptable to the Company, Lenders and the Initial Consenting Debenture Holders, each acting reasonably;

(e) without the prior written consent of the Lenders, and Initial Consenting Debenture Holders, amend, modify, replace, terminate, repudiate, disclaim or waive any rights under or in respect of (i) its material contracts (other than as expressly required by such material contracts, by this Support Agreement or in the ordinary course of performing their obligations under such material contracts) in any manner that would reasonably be expected to be material, or (ii) this Support Agreement (except as permitted by the terms hereof);

(f) to promptly notify each of the Lenders and each of the Consenting Debenture Holders of any claims threatened or brought against it which may impede or delay the consummation of the Recapitalization Transaction or the Plan;

(g) to timely file a formal written response in opposition to or take all appropriate actions to oppose (if circumstances do not allow for the filing of a formal written response) any objection filed with the Court by any Person which objection is inconsistent with the Plan and the Recapitalization Transaction;

(h) to take all appropriate actions to oppose any insolvency or other proceeding brought against the Company or any of its subsidiaries;

(i) subject to Section 1.7(v), to not, without the prior written consent of the Lenders and the Initial Consenting Debenture Holders, enter into or agree to any settlement, settlement proposal, commitment, commitment proposal or otherwise settle (i) any outstanding claim, litigation, proceeding or action individually in excess of US$50,000 (provided that, in consultation with the Lenders and the Initial Consenting Debenture Holders, an iAnthus Party may settle claims between US$50,001 to US$100,000, individually or up to US$250,000 in the aggregate), or (ii) with any regulatory authority or Governmental Entity in respect of any investigation into any iAnthus Party;

(j) to promptly notify the Lenders and the Consenting Debenture Holders if, at any time before the Effective Time, it becomes aware that any material application for a regulatory approval or any other material order, registration, consent, filing, ruling, exemption or approval under applicable laws contains a statement which is materially inaccurate or incomplete or of information that otherwise requires an amendment or supplement to such application, and the Company shall co-operate in the preparation of such amendment or supplement as required;

(k) except with the prior written consent of the Lenders and the Initial Consenting Debenture Holders, to operate its business in the ordinary course of business, having regard to its current financial condition and the COVID-19 pandemic;

(l) to not, except with the prior written consent of the Lenders and the Initial Consenting Debenture Holders, enter into any agreement for any acquisition or divestiture by the Company or any of its direct or indirect subsidiaries or affiliates of any of its assets or business with a purchase price that exceeds US$100,000, other than the sales of the Non-Material Properties;

(m) except with the prior written consent of the Lenders and the Initial Consenting Debenture Holders, or as specifically permitted by this Support Agreement and the Recapitalization Transaction, to not: (i) prepay, redeem prior to maturity, defease, repurchase or make other prepayments in respect of any non-revolving funded debt, other than the Small Business Loan; (ii) other than in the ordinary course of business consistent with past practice and any changes resulting from the COVID-19 pandemic, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness of any kind whatsoever; (iii) create, incur, assume or otherwise cause or suffer to exist or become effective any new lien, charge, mortgage, hypothec or security interest of any kind whatsoever on, over or against any of their assets or property (except for any lien, charge, mortgage, hypothec or security interest that is incurred in the ordinary course of business and that is not material); or (iv) except in connection with the ordinary cash management procedures between the Company and its direct and indirect subsidiaries and affiliates or any intercompany dividends or distributions made that are consistent with past practice, declare or pay any dividends or distributions on or in respect of any shares in the Company or any of its direct or indirect subsidiaries or affiliates or redeem, retract, purchase or acquire any of such shares, provided that no such dividends or distributions shall be made to an entity that is not subject to the security interests held by the Lenders;

(n) to promptly notify the Lenders and each of the Consenting Debenture Holders upon becoming aware of any new claims threatened in writing or brought against it in excess of US$250,000 in the aggregate;

(o) to promptly notify the Lenders and each of the Consenting Debenture Holders of any event, condition, or development that has resulted in the inaccuracy or breach of any representation or warranty, covenant or agreement contained in this Support Agreement made by or to be complied with by any iAnthus Party in any material respect;

(p) to not, except pursuant to the Plan, amalgamate, consolidate with or merge into, transfer or sell all, substantially all, or a material portion of their assets to, another entity, or change the nature of its business or its corporate or capital structure;

(q) to provide, upon reasonable request and with reasonable prior notice, the Lenders, the Initial Consenting Debenture Holders, and Creditor Advisors with reasonable access to the books and records of the Company and its subsidiaries and affiliates (other than books or records that are subject to solicitor-client privilege or other type of privilege, as applicable) for review in connection with the Recapitalization Transaction, in each case in accordance with, and only to the extent permitted or required by, the terms of any confidentiality agreements with the Company;

(r) to take all steps reasonably in the control of the iAnthus Parties to be in compliance with all applicable securities laws in Canada and the United States, including having the Cease Trade Order lifted by filing all financial statements and other continuous disclosure that is required to be filed under applicable securities laws in Canada;

(s) to not, except (i) as permitted by this Support Agreement; or (ii) with the prior written consent of the Lenders and the Initial Consenting Debenture Holders, commence, consummate an agreement to commence, make, solicit, assist, initiate, encourage, facilitate, propose, file, initiate any discussions or negotiations regarding any alternative offer, restructuring, liquidation, workout or plan of compromise or arrangement, reorganization under the CCAA, BCBCA, other legislation or otherwise;

(t) to pay in full upon the advance of the Interim Financing all reasonable and documented accrued but unpaid fees and expenses for the period prior to and including the date of this Support Agreement of Cassels, Davies, Stikeman Elliott LLP and such other advisors to (and on such terms) each of the Initial Consenting Debenture Holders and Lenders as may be separately agreed to with the Company (collectively, the "**Creditor Advisors**");

(u) from and after the date of the advance of the Interim Financing and until the termination of this Support Agreement, and regardless of whether or not the Recapitalization Transaction is consummated, to pay all documented fees and expenses of each of the Creditor Advisors on a current basis and no later than seven (7) days following receipt by the Company of an invoice;

(v) within five (5) Business Days from the date of the Support Agreement, and regardless of whether or not the Recapitalization Transaction is consummated, to serve and file a Notice of Discontinuance on a "with prejudice" basis in respect of the statement of claim issued by iAnthus against Oasis Investments II Master Fund Ltd. on February 27, 2020 in the Oasis Litigation;

(w) to not, except with the prior written consent of the Initial Consenting Debenture Holders and the Lenders, amend any existing employment contract or enter into any new employment contract with any officer or senior manager of an iAnthus Party;

(x) that, during the period from the date of this Support Agreement until the earlier of the Effective Time and the time that this Support Agreement is terminated in accordance with its terms, except: (i) with the prior written consent of the Lenders and Initial Consenting Debenture Holders, such consent not to be unreasonably withheld or delayed; or (ii) as required by applicable Law, to conduct its business in the ordinary course of business consistent with past practice and any changes resulting from the COVID-19 pandemic and in accordance with, in all material respects, all applicable Laws; and

(y) to use reasonable best efforts to cause its controlled affiliates, directors, officers, employees, advisors, and any other persons acting under the direction of any of them, and the representatives of any of the foregoing, without the express written knowledge and consent of the Lenders and the Initial Consenting Debenture Holders, to not initiate, solicit, encourage or otherwise request inquiries or proposals with respect to, or engage or participate in any negotiations concerning, or provide any confidential or non-public information or data to, any person or entity relating to, or approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, or other agreement related to, any offer, proposal, or inquiry relating to, or any third-party indication of interest in (i) any proposal for an alternative refinancing, recapitalization or other extraordinary transaction other than the Recapitalization Transaction or any purchase, sale,or other disposition of all or a material portion of the Company's business or assets, except for the sale of assets in the ordinary course of business, (ii) any issuance, sale, or other disposition of any equity interest (including, without limitation, securities or instruments directly or indirectly convertible or exchangeable into equity but excluding any intercompany transactions necessary or desirable in connection with the Recapitalization Transaction) in the Company (by the Company) or any Subsidiaries, (iii) any merger, acquisition, consolidation or similar business combination transaction, involving the Company or any Subsidiaries (excluding any intercompany transaction necessary or desirable in connection with the Recapitalization Transaction) or (iv) any other transaction the purpose or effect of which would be reasonably expected to, or which would prevent or render impractical, or otherwise frustrate or impede in any material respect, the Recapitalization Transaction.

Section 1.8 Interim Financing

(a) Certain of the Lenders shall make available to the iAnthus Parties a secured non- revolving credit facility on the terms and conditions set out in the Amended Secured Debenture Purchase Agreement (defined below) including the issuance of the Tranche 4 Debentures (as defined therein) (the "**Interim Financing**").

(b) (b) The proceeds of the Interim Financing shall be funded into an existing account of the Borrower (the "**Loan Account**"). The Interim Financing shall be advanced from the Loan Account subject to draw requests (each, a "**Draw Request**") in accordance with the Interim Financing Budget, which requests shall be made no less than two (2) Business Days prior to the advance of funding in the form attached hereto as Schedule F. The Company shall be entitled to draw from the Loan Account based on the Draw Requests as approved in writing by the Lenders or Davies.

(c) By no later than three (3) Business Days following the execution of this Support Agreement by all Parties, the Lenders shall make the Interim Financing available to the Borrower on the following terms and conditions:

(i) The Interim Financing will mature on the earlier of July 13, 2025 and the date the iAnthus Parties' obligations thereunder are accelerated pursuant to the terms thereof. The principal amount of the debentures issued in connection with the Interim Financing will accrue interest at a rate of 8% per annum, such interest being payable in kind by adding the amount thereof to the principal amount of the Interim Financing on a monthly basis. The iAnthus Parties shall not be permitted to prepay any portion of the principal or interest of the Interim Financing until on or after July 13, 2023. The Interim Financing shall be subject to a second amended and restated secured debenture purchase agreement among the Lenders and the iAnthus Parties, in the form attached hereto as Schedule G, to be entered into and executed concurrently with the execution hereof (the "**Amended Secured Debenture Purchase Agreement**"). The Tranche 4 Debentures evidencing the Interim Financing shall be issued by the Borrower to the Lenders or their affiliates that provide the Interim Financing. The Interim Financing will be guaranteed by, and secured by the assets of, the Company and its Subsidiaries in the same manner and subject to the same terms and conditions as such iAnthus Parties have previously guaranteed and secured the Obligations (as defined in the Existing Secured Debenture Purchase Agreement). With respect to the Interim Financing terms, to the extent there is any inconsistency between this Support Agreement on the one hand, and the Amended Secured Debenture Purchase Agreement and all debentures and other Transaction Agreements (as defined in the Amended Secured Debenture Purchase Agreement) entered into in connection therewith on the other, then the terms of this Support Agreement shall be paramount and prevail to the extent of the inconsistency. For greater certainty, the Lenders acknowledge and agree none of the indebtedness under the Amended Secured Debenture Purchase Agreement may be converted into equity of the Company (except in accordance with the Plan) while the Cease Trade Order remains in effect;

(ii) the iAnthus Parties shall use the proceeds of the Interim Financing, in each case in accordance with the Interim Financing Budget, (x) to fund the iAnthus Parties' funding requirements during the period of the Support Agreement, including funding working capital and other general corporate purposes of the iAnthus Parties, and (y) pay the professional fees and expenses of (A) the iAnthus Parties, including all unpaid invoices and reasonable future fees and expenses of McMillan LLP, Duane Morris LLP, Lax O'Sullivan Lisus Gottlieb LLP, FTI Consulting Canada Inc. and its counsel, and Canaccord Genuity Corp. (collectively, the "Company Advisors"), and (B) the Creditor Advisors;

(iii) attached hereto as Schedule H is a copy of the agreed summary Interim Financing Budget (excluding the supporting documentation provided directly to the Lenders in connection therewith), which is in form and substance satisfactory to the Lenders and Initial Consenting Debenture Holders;

(iv) iAnthus may update and propose a revised Interim Financing Budget to the Lenders, after consultation with the Initial Consenting Debenture Holders, no more frequently than every two weeks (unless otherwise consented to by the Lenders), in each case to be delivered to the Lenders, no earlier than the Friday of the second week following the date of the delivery of the prior Interim Financing Budget. If the Lenders, (x) acting reasonably, approve such revised Interim Financing Budget, or (y) in the event that the Lenders do not deliver to the Borrower written notice within three (3) Business Days after receipt by the Lenders of a proposed revised Interim Financing Budget that such proposed revised Interim Financing Budget is not acceptable to them, such proposed revised Interim Financing Budget shall automatically and without further action be deemed to have been accepted by the Lenders and, in either case such revised Interim Financing Budget shall become the Interim Financing Budget for purposes of this Interim Financing;

(v) on the last Business Day of every week, the Borrower shall deliver to the Lenders, with a copy to the Initial Consenting Debenture Holders, a variance calculation to the Sunday of the prior week certified by an officer of the Borrower (the "**Variance Report**") setting forth (i) actual receipts and disbursements for the week, and (ii) actual receipts and disbursements on a cumulative basis since the beginning of the period covered by the then-current Interim Financing Budget, in each case as against the then- current Interim Financing Budget, and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof in the Interim Financing Budget. Each Variance Report shall include reasonably detailed explanations for any material variances during the relevant period; and

(vi) the Borrower shall comply with the Interim Financing Budget subject to the Permitted Variance.

Section 1.9 Negotiation of Documents

(a) Subject to the terms and conditions of this Support Agreement, the Parties shall reasonably cooperate with each other and shall coordinate their activities (to the extent practicable) in respect of (i) the timely satisfaction of conditions with respect to the effectiveness of the Recapitalization Transaction and the Plan as set forth herein and therein and otherwise ancillary thereto, (ii) all matters concerning the implementation of the Recapitalization Transaction and the Plan as set forth herein and therein and otherwise ancillary thereto, and (iii) the pursuit and support of the Recapitalization Transaction and the Plan. Furthermore, subject to the terms and conditions of this Support Agreement, each of the Parties shall take such actions as may be reasonably necessary to carry out the purposes and intent of this Support Agreement, including making and filing any required regulatory filings, in each case at the expense of the Company.

(b) Subject to the terms and conditions of this Support Agreement, to the extent the Support Agreement has not been terminated in accordance with its terms, each Party hereby covenants and agrees (i) to reasonably cooperate and negotiate in good faith, and consistent with this Support Agreement, the Definitive Documents and all ancillary documents relating thereto, as applicable, and (ii) to the extent it is a party thereto, to execute, deliver and perform its obligations under such documents.

Section 1.10 Alternative Implementation Process

(a) In the event that either:

(i) the requisite shareholder approval has not been obtained on the Plan by the Voting Deadline, at a meeting held on or before the meeting deadline set out in Section 1.7(c)(iv) or at a meeting held at a later date, with the consent of the Initial Consenting Debenture Holders and the Lenders; or

(ii) the Company, the Lenders and the Initial Consenting Debenture Holders agree to seek the approval of the Plan by the Court notwithstanding a failure, if any, to obtain shareholder approval by the Voting Deadline, and the Court does not approve the Plan and enter the Final Order by the requisite deadline set forth in Section 1.7(c)(v)

then the Company shall immediately, but not later than five (5) Business Days following such deadlines, commence an application in the Court for an initial order under the CCAA and an amended and restated initial order (collectively, the "**Initial CCAA Order**") each in form and substance satisfactory to the Company, the Lenders, and the Initial Consenting Debenture Holders, each acting reasonably, all in accordance with the terms and timeline set forth in Schedule E hereto.

(b) Except as modified by this Section 1.10, all of the obligations and commitments of the Parties under this Support Agreement shall apply *mutatis mutandis* in the context of the CCAA Proceeding and references to the "Plan" are deemed to be references to the "CCAA Plan" where applicable.

Section 1.11 Conditions to the Consenting Debenture Holders' Support Obligations

Notwithstanding anything to the contrary contained in this Support Agreement and without limiting any other rights of the Consenting Debenture Holders hereunder, each Consenting Debenture Holder's obligation to vote in favour of the Plan pursuant to Section 1.5(f)(i) hereof, shall be subject to the satisfaction of the following conditions, each of which may be waived, in whole or in part, by the Initial Consenting Debenture Holders (provided that such conditions shall not be enforceable by a Consenting Debenture Holder, if any failure to satisfy such conditions results directly from an action, error or omission by or within the control of such Consenting Debenture Holder, seeking enforcement):

(a) each iAnthus Party shall have executed this Support Agreement;

(b) the Plan and all Definitive Documents shall be in form and substance acceptable to the Initial Consenting Debenture Holders, acting reasonably;

(c) all orders made and judgments rendered by any competent court of law and all rulings and decrees of any competent regulatory body, agent or official in respect of the Arrangement Proceedings and the Recapitalization Transaction shall be satisfactory to the Initial Consenting Debenture Holders, acting reasonably;

(d) the Interim Order, the Plan, the proposed Final Order in respect of the Plan, and all other materials filed by or on behalf of the Company in the Arrangement Proceedings shall have been filed (and, if applicable, issued) in form and substance acceptable to the Initial Consenting Debenture Holders, acting reasonably;

(e) each iAnthus Party shall have complied in all material respects with each covenant and obligation in this Support Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Voting Deadline (subject to any agreed upon extension of the Milestones set out herein);

(f) there shall not exist or have occurred any Material Adverse Change from and after the date of this Support Agreement;

(g) all accrued and unpaid accounts of Creditor Advisors shall have been paid in full, in accordance with the Interim Financing Budget, on or before the date that is one (1) Business Day prior to the Voting Deadline;

(h) there shall have been no appointment of any new senior executive officers of the Company or any of the Subsidiaries or members of the board of directors of the Company, or any chief restructuring officer of the Company, unless such appointment(s), including its terms, was on terms satisfactory to the Initial Consenting Debenture Holders, other than the appointment of an existing executive or employee of the Company or any of the Subsidiaries to such office in order to maintain compliance with state regulatory requirements;

(i) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application (other than a frivolous or vexatious application by a Person other than a Governmental Entity) shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Recapitalization Transaction or any material part thereof or requires or purports to require a material variation of the Recapitalization Transaction;

(j) the representations and warranties of each iAnthus Party set forth in this Support Agreement shall continue to be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) at and as of the date hereof and at and as of the Effective Date (except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all material respects as of such date), except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Support Agreement; and

(k) all actions taken by the iAnthus Parties in furtherance of the Recapitalization Transaction and the Plan shall be consistent in all material respects with this Support Agreement.

Section 1.12 Conditions to the Lenders' Support Obligations

Notwithstanding anything to the contrary contained in this Support Agreement and without limiting any other rights of the Lenders hereunder, each Lender's obligation to vote in favour of the Plan pursuant to Section 1.6(g)(i) hereof, shall be subject to the satisfaction of the following conditions, each of which may be waived, in whole or in part, by the Lenders (provided that such conditions shall not be enforceable by a Lender, if any failure to satisfy such conditions results directly from an action, error or omission by or within the control of such Lender, seeking enforcement):

(a) each iAnthus Party shall have executed this Support Agreement;

(b) the Plan and all Definitive Documents shall be in form and substance acceptable to the Lenders, acting reasonably;

(c) all orders made and judgments rendered by any competent court of law and all rulings and decrees of any competent regulatory body, agent or official in respect of the Arrangement Proceedings and the Recapitalization Transaction shall be satisfactory to the Lenders, acting reasonably;

(d) the Interim Order, the Plan, the proposed Final Order in respect of the Plan, and all other materials filed by or on behalf of the Company in the Arrangement Proceedings shall have been filed (and, if applicable, issued) in form and substance acceptable to the Lenders, acting reasonably;

(e) each iAnthus Party shall have complied in all material respects with each covenant and obligation in this Support Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Voting Deadline (subject to any agreed upon extension of the Milestones set out herein);

(f) there shall not exist or have occurred any Material Adverse Change from and after the date of this Support Agreement;

(g) all accrued and unpaid accounts of Creditor Advisors shall have been paid in full, in accordance with the Interim Financing Budget, on or before the date that is one (1) Business Day prior to the Voting Deadline;

(h) there shall have been no appointment of any new senior executive officers of the Company or any of the other Subsidiaries or members of the board of directors of the Company, or any chief restructuring officer of the Company, unless such appointment(s), including its terms, was on terms satisfactory to the Lenders, other than the appointment of an existing executive or employee of the Company or any of the Subsidiaries to such office in order to maintain compliance with state regulatory requirements;

(i) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application (other than a frivolous or vexatious application by a Person other than a Governmental Entity) shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Recapitalization Transaction or any material part thereof or requires or purports to require a material variation of the Recapitalization Transaction;

(j) the representations and warranties of each iAnthus Party set forth in this Support Agreement shall continue to be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) at and as of the date hereof and at and as of the Effective Date (except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all material respects as of such date), except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Support Agreement; and

(k) all actions taken by the iAnthus Parties in furtherance of the Recapitalization Transaction and the Plan shall be consistent in all material respects with this Support Agreement.

Section 1.13 Conditions to the iAnthus Parties' Support Obligations

Notwithstanding anything to the contrary contained in this Support Agreement and without limiting any other rights of the iAnthus Parties hereunder, the iAnthus Parties obligation to commence the Arrangement Proceedings or put forward the Plan for a vote in the Arrangement Proceedings, shall be subject to the satisfaction of the following conditions, each of which may be waived, in whole or in part, by the iAnthus Parties (provided that such conditions shall not be enforceable by an iAnthus Party, if any failure to satisfy such conditions results directly from an action, error or omission by or within the control of such the iAnthus Party, seeking enforcement):

(a) the Interim Financing shall have been advanced in full in accordance with Section 1.8;

(b) each Lender and each Consenting Debenture Holders shall have complied in all material respects with each covenant and obligation in this Support Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Voting Deadline (subject to any agreed upon extension of the Milestones set out herein).

Section 1.14 Conditions to the Recapitalization Transaction

(a) The Recapitalization Transaction shall be subject to the satisfaction of the following conditions prior to or at the Effective Time, each of which is for the mutual benefit of the iAnthus Parties, on the one hand, and the Lenders and the Consenting Debenture Holders, on the other hand, and may be waived in whole or in part jointly by the Company on behalf of the iAnthus Parties and the Lenders and the Initial Consenting Debenture Holders (provided that such conditions shall not be enforceable by any iAnthus Party, a Lender or a Consenting Debenture Holder, as the case may be, if any failure to satisfy such conditions results directly from an action, error or omission by or within the control of the Party seeking enforcement):

(i) by no later than December 31, 2020:

(A) the Plan shall have been approved by (A) the Court; and (B) the requisite threshold of affected creditors and other securityholders of the Company, as and to the extent set out in the Interim Order;

(B) the Final Order (A) shall have been entered by the Court and (B) shall have become a final order, the implementation, operation or effect of which shall not have been stayed, varied in a manner not acceptable to the Company or the Lenders and the Initial Consenting Debenture Holders, vacated or subject to pending appeal and as to which order any appeal periods relating thereto shall have expired;

(C) the Plan and all Definitive Documents shall be in form and substance acceptable to the Company, the Lenders and the Initial Consenting Debenture Holders, each acting reasonably;

(D) all disclosure documents (including the Information Circular), solicitation forms with respect to the Arrangement Proceedings and press releases in respect of the Recapitalization Transaction shall be in form and substance acceptable to the Company the Lenders and the Initial Consenting Debenture Holders, each acting reasonably; provided that, nothing herein shall prevent a Party from making public disclosure in respect of the Recapitalization Transaction to the extent required by applicable Law;

(E) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application (other than a frivolous or vexatious application by a Person other than a Governmental Entity) shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Recapitalization Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit) the Recapitalization Transaction or any material part thereof or requires or purports to require a material variation of the Recapitalization Transaction;

(F) all non-regulatory consents, waivers and filings required to be made by the iAnthus Parties shall have been obtained or made, as applicable, on terms satisfactory to the Company, the Lenders and the Initial Consenting Debenture Holders, each acting reasonably; and

(G) as applicable, the Director appointed pursuant to section 400 of the BCBCA shall have issued a certificate of arrangement giving effect to the articles of arrangement in respect of the Plan; and

(ii) by no later than the Outside Date:

(A) all regulatory consents, waivers and filings required to be made by the iAnthus Parties shall have been obtained or made, as applicable, on terms satisfactory to the Company, the Lenders and the Initial Consenting Debenture Holders, each acting reasonably;

(B) all filings that are required under applicable Laws in connection with the Recapitalization Transaction required to be made by the iAnthus Parties shall have been made and any material regulatory consents or approvals that are required in connection with the Recapitalization Transaction shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;

(C) the representations and warranties of the Company under this Support Agreement or any document related hereto shall be true and correct in all material respects on the Plan Effective Date;

(D) the covenants of the Company under this Support Agreement or any document related hereto requested to be performed at or prior to the Plan Effective Date shall have been performed and complied with in all material respects;

(E) on the Effective Date, all of the documented fees and expenses of the Creditor Advisors up to and including the Effective Date shall have been paid in full in accordance with the Interim Financing Budget, provided that the Creditor Advisors shall have provided the Company with invoices for all such fees and expenses incurred up to the date that is three (3) Business Days prior to the Effective Date, and shall have also provided the Company with a non-binding estimate of all such fees and expenses to be incurred by the Creditor Advisors, as applicable, in the period from that date to the Effective Date;

(F) in the event of a CCAA Proceeding, the treatment of the claims against and contracts with the Company shall in each case be consistent with the terms of the Term Sheets or otherwise reasonably acceptable to the Company, the Lenders and the Initial Consenting Debenture Holders, acting reasonably; and

(G) the Effective Date shall have occurred.

(b) The obligation of the iAnthus Parties to complete the Recapitalization Transaction and the other transactions contemplated hereby and the consummation of the Recapitalization Transaction are subject to the satisfaction of the following conditions prior to or at the Effective Time, each of which is for the benefit of the iAnthus Parties and may be waived, in whole or in part, by the Company on behalf of the iAnthus Parties (provided that such conditions shall not be enforceable by the iAnthus Parties if any failure to satisfy such conditions results directly from an action, error or omission by or within the control of any iAnthus Party):

(i) the Lenders and the Consenting Debenture Holders shall have complied in all material respects with each covenant and obligation in this Support Agreement that is to be performed by them on or before the Effective Date;

(ii) the Plan shall provide that effective at the Effective Time each of the Lenders and the Unsecured Debenture Holders shall have irrevocably waived all Debenture Document Defaults and Secured Debenture Defaults, and the Lenders shall have taken all steps required to withdraw, revoke and/or terminate the UCC Sale Process;

(iii) the representations and warranties of the Lenders and the Consenting Debenture Holders set forth in this Support Agreement shall be true and correct in all material respects (except for those representations and warranties which expressly include a materiality standard, which shall be true and correct in all respects giving effect to such materiality standard) at and as of the date hereof and at and as of the Effective Date with the same force and effect as if made at and as of such date, except (A) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date and (B) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Support Agreement;

(iv) by the Effective Date, iAnthus and Oasis Investments II Master Fund Ltd. shall, by their lawyers of record, have delivered in escrow an executed consent to an order dismissing on a without costs and with prejudice basis the Oasis Litigation (the "**Consent to Dismissal**"), which Consent to Dismissal shall be filed with the applicable court by Oasis Investments II Master Fund Ltd. within three (3) Business Days following the Effective Date; and

(v) on the Effective Date, all of the documented fees and expenses of the Company Advisors up to and including the Effective Date shall have been paid in full in accordance with the Interim Financing Budget, provided that the Company Advisors shall have provided the Company with invoices for all such fees and expenses incurred up to the date that is three (3) Business Days prior to the Effective Date, and shall have also provided the Company with a non-binding estimate of all such fees and expenses to be incurred by the Company Advisors, as applicable, in the period from that date to the Effective Date.

(c) The obligations of the Lenders and the Consenting Debenture Holders to complete the Recapitalization Transaction and the other transactions contemplated hereby and the consummation of the Recapitalization Transaction are subject to the satisfaction of the following conditions prior to or at the Effective Time, each of which is for the benefit of the Lenders and the Consenting Debenture Holders and may be waived, in whole or in part, by the Lenders and the Initial Consenting Debenture Holders (provided that such conditions shall not be enforceable by any conditions results directly from an action, error or omission by or within the control of such Lender or the Consenting Debenture Holder seeking enforcement):

(i) the Company shall have (A) achieved the Milestones on or before the applicable dates set forth herein (unless such dates have been extended with the consent of the Lenders and the Initial Consenting Debenture Holders), and (B) complied in all material respects with each covenant and obligation in this Support Agreement that is to be performed by them on or before the Effective Date;

(ii) the representations and warranties of the iAnthus Parties set forth in this Support Agreement shall be true and correct in all material respects as of the Effective Date with the same force and effect as if made at and as of such date, except (A) that representations and warranties that are given as of a specified date shall be true and correct in all material respects as of such date and (B) as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Support Agreement;

(iii) the Final Order, the Plan, the other Definitive Documents and all orders made and judgments rendered by any competent court of law, and all rulings and decrees of any competent regulatory body, agent or official in relation to the BCBCA shall be in form and substance satisfactory to the Lenders and the Initial Consenting Debenture Holders, acting reasonably;

(iv) all actions taken by the iAnthus Parties in furtherance of the Recapitalization Transaction and the Plan shall be consistent in all material respects with the Plan and this Support Agreement;

(v) there shall not exist or have occurred any Material Adverse Change from and after the date of this Support Agreement;

(vi) on the Effective Date, all of the documented fees and expenses of the Creditor Advisors, up to and including the Effective Date, shall have been paid in full, provided that the Creditor Advisors shall have provided the Company with invoices for all such fees and expenses incurred up to the date that is three (3) business days prior to the Effective Date, and shall have also provided the Company with a non-binding estimate of all such fees and expenses to be incurred by the Creditor Advisors, as applicable, in the period from that date to the Effective Date;

(vii) as of the Effective Date, the Company shall remain a reporting issuer in each province of Canada in which it is currently a reporting issuer and the Company: (i) will take all such actions as are commercially reasonable, subject to the Company being able to satisfy listing and applicable public float and public holder requirements, to maintain a listing of its common shares on the CSE, or on such other recognized stock exchange acceptable to the Lenders, Initial Consenting Debenture Holders and the Company, and (ii) shall be in compliance with all applicable securities Laws in Canada and the United States and not subject to any cease trade orders. For the purposes of this Section 1.14(c)(vii) and Section 1.14(c)(viii), "public float" and "public holder" have the meanings ascribed thereto in the CSE's Policy 1 – *Interpretation and General Provisions*. For the avoidance of doubt, the NEO Exchange Inc. is a recognized stock exchange that is acceptable to the Lenders, Initial Consenting Debenture Holders and the Company;

(viii) all Transaction Securities, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the Company will take all such actions as are commercially reasonable, subject to the Company being able to satisfy listing and applicable public float and public holder requirements, to have the Common Shares listed and posted for trading on the CSE, or on such other recognized stock exchange acceptable to the Lenders, Initial Consenting Debenture Holders and the Company, and all necessary notices and filings shall have been made with, and all consents, approvals and authorizations shall have been obtained by the Company from, the CSE, or from such other recognized stock exchange acceptable to the Lenders, Initial Consenting Debenture Holders and the Company, to ensure that the Common Shares to be issued as Transaction Securities will be listed and posted for trading on the CSE, or on such other recognized stock exchange acceptable to the Lenders, Initial Consenting Debenture Holders and the Company, upon their issuance free from restrictions except to the extent set out in this Support Agreement and escrow requirements required by the CSE or such other recognized stock exchange acceptable to the Lenders, Initial Consenting Debenture Holders and the Company, or as agreed to in writing by the Lenders and the Initial Consenting Debenture Holders;

(ix) the Company and/or its securities shall not be subject to any "cease trade" or similar orders and all existing cease trade orders shall have ceased to be of any force or effect immediately prior to the effective time of the Recapitalization Transaction; and

(x) the Company shall have provided the Lenders and each Consenting Debenture Holder with a certificate signed by an officer of iAnthus certifying compliance with the terms of this Section 1.13(b) as of the Effective Date.

Section 1.15 Releases

The Parties agree that there shall be usual and customary releases in connection with the implementation of the Recapitalization Transaction under the Arrangement Proceedings to be effective as of the Effective Date (the "**Releases**") pursuant to the Plan (or, to the extent applicable, a CCAA Plan) and the Final Order (or Sanction Order). The Releases shall provide, inter alia, that iAnthus and all of its direct and indirect subsidiaries, the Lenders, the Unsecured Debenture Holders, and each of the foregoing Persons' respective current and former directors, officers, managers, partners, employees, auditors, financial advisors, legal counsel and agents (collectively, the "**Released Parties**") shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions, obligations and claims of any kind or nature whatsoever (other than liabilities or claims attributable to any of Released Party's gross negligence, willful misconduct or fraud as determined by the final, non-appealable judgment of a court of competent jurisdiction) arising on or prior to the Effective Date in connection with or relating in any way to the Common Shares, the Secured Debt, the Secured Debentures, the Unsecured Debt, the Unsecured Debt Documents, the Recapitalization Transaction, the Plan, CCAA Plan (as applicable), the Arrangement Proceedings (or CCAA Proceeding, as applicable), this Support Agreement, and any of the transactions contemplated herein, and any other actions or matters related directly or indirectly to the foregoing, provided that the Released Parties shall not be released from or in respect of any of their respective obligations under this Support Agreement, the Plan, or any document ancillary to the foregoing.

Section 1.16 Termination

(1) This Support Agreement (and, for certainty, any Joinder Agreement) may be terminated by the Consenting Debenture Holders in their sole discretion, by providing written notice to the Company and the Lenders in accordance with Section 1.22(13) hereof:

(a) if the Interim Financing has not been advanced in full in accordance with Section 1.8;

(b) if the Lenders fail to approve any Draw Request delivered by the Borrower in compliance with the Interim Financing Budget (subject to the Permitted Variance), which failure is not cured within three (3) Business Days after receipt of written notice thereof;

(c) if the Company fails to meet any of the Milestones on or before the applicable dates set forth herein (as may be extended with the consent of the Initial Consenting Debenture Holders);

(d) if an Event of Default (as defined in the Amended Secured Debenture Purchase Agreement) has occurred under the Interim Financing and such Event of Default has not been waived within three (3) Business Days of its occurrence;

(e) if any iAnthus Party publicly recommends, enters into a written agreement to pursue, or directly or indirectly proposes, supports, assists, solicits or files a motion or pleading seeking approval of a transaction other than the Recapitalization Transaction;

(f) if the board of directors of the Company or any other iAnthus Party changes its recommendation to stakeholders that they vote in favour of the Recapitalization Transaction or fails to reconfirm such recommendation within three (3) Business Days of having been requested to do so by the Initial Consenting Debenture Holders or the Lenders;

(g) if any iAnthus Party takes any action materially inconsistent with this Support Agreement or fails to comply with, or defaults in the performance or observance of, in all material respects, any term, condition, covenant or agreement set forth in this Support Agreement that, if capable of being cured, is not cured within the longer of (i) three (3) Business Days after receipt of written notice of such failure or default, or (ii) to the extent that such failure or default constitutes a default under the Amended Secured Debenture Purchase Agreement, the cure period for such default set out in the Amended Secured Debenture Purchase Agreement;

(h) if any Lender takes any action materially inconsistent with this Support Agreement or fails to comply with, or defaults in the performance or observance of, in all material respects, any term, condition, covenant or agreement set forth in this Support Agreement that, if capable of being cured, is not cured within three (3) Business Days after receipt of written notice of such failure or default;

(i) if any Lender accelerates, or makes a demand for payment under, the Interim Financing or seeks to take any action to enforce on the indebtedness thereunder;

(j) if any representation, warranty or acknowledgement of any iAnthus Party made in this Support Agreement shall prove untrue in any material respect as of the date when made that, if capable of being cured, is not cured within three (3) Business Days after receipt of written notice of such failure or default;

(k) upon the issuance of any final decision, order or decree by a Governmental Entity, in consequence of or in connection with the Recapitalization Transaction or the Plan, which restrains, impedes or prohibits the Recapitalization Transaction or the Plan;

(l) if the Arrangement Proceedings (other than to comply with Section 1.10 hereof) or the CCAA Proceeding, are dismissed or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed with respect to any iAnthus Party, unless such appointment is made with the prior written consent of the Initial Consenting Debenture Holders, acting reasonably;

(m) upon the amendment or modification of, the filing of a motion or pleading by any iAnthus Party seeking to amend or modify, the Recapitalization Transaction Terms or the Plan or any material document or order relating thereto, unless such amendment, modification, or filing is acceptable to the Initial Consenting Debenture Holders, acting reasonably;

(n) if (i) any of the conditions set forth in Section 1.11 are not satisfied or waived by the Voting Deadline or (ii) any of the conditions set forth in Section 1.13 are not satisfied or waived by the Outside Date;

(o) if any court of competent jurisdiction has entered a final non-appealable judgment or order declaring this Support Agreement or any material portion thereof to be unenforceable;

(p) upon the issuance of any order by the Court that is inconsistent with the terms of this Support Agreement, the Term Sheet or the Recapitalization Transaction Terms, that could reasonably be expected to affect any of the foregoing, or the timely completion of the Recapitalization Transaction in accordance with the timelines set forth in this Support Agreement, or that is adverse to the interests or rights of the Consenting Debenture Holders;

(q) upon the failure by the Company to promptly pay all fees and expenses of the Creditor Advisors, in accordance with the Interim Financing Budget, within the timeframes provided for herein;

(r) if any of the conditions set forth in Section 1.14(a)(i) are not satisfied or waived by December 31, 2020; or

(s) if the Recapitalization Transaction has not been completed and/or the Plan has not been implemented by the Outside Date,

in each case unless the event giving rise to the termination right is waived or cured in accordance with the terms hereof.

(2) This Support Agreement (and, for certainty, any Joinder Agreement) may be terminated by the Lenders, in their sole discretion, by providing written notice to the Company and each of the Consenting Debenture Holders in accordance with Section 1.22(13) hereof:

(a) if the Company fails to meet any of the Milestones on or before the applicable dates set forth herein (as may be extended with the consent of the Lenders);

(b) if any iAnthus Party publicly recommends, enters into a written agreement to pursue, or directly or indirectly proposes, supports, assists, solicits or files a motion or pleading seeking approval of a transaction other than the Recapitalization Transaction;

(c) if any Consenting Debenture Holder takes any action materially inconsistent with this Support Agreement or fails to comply with, or defaults in the performance or observance of, in all material respects, any term, condition, covenant or agreement set forth in this Support Agreement that, if capable of being cured, is not cured within three (3) Business Days after receipt of written notice of such failure or default;

(d) if any iAnthus Party takes any action materially inconsistent with this Support Agreement or fails to comply with, or defaults in the performance or observance of, in all material respects, any term, condition, covenant or agreement set forth in this Support Agreement that, if capable of being cured, is not cured within the longer of (i) three (3) Business Days after receipt of written notice of such failure or default, or (ii) to the extent that such default constitutes a default under the Amended Secured Debenture Purchase Agreement, the cure period for such default set out in the Amended Secured Debenture Purchase Agreement;

(e) if any representation, warranty or acknowledgement of any iAnthus Party made in this Support Agreement shall prove untrue in any material respect as of the date when made that, if capable of being cured, is not cured within three (3) Business Days after receipt of written notice of such failure or default;

(f) upon the issuance of any order by the Court that is inconsistent with the terms of this Support Agreement, the Term Sheet or the Recapitalization Transaction Terms, that could reasonably be expected to affect any of the foregoing, or the timely completion of the Recapitalization Transaction in accordance with the timelines set forth in this Support Agreement, or that is adverse to the interests or rights of the Lenders;

(g) upon the issuance of any final decision, order or decree by a Governmental Entity, in consequence of or in connection with the Recapitalization Transaction or the Plan, which restrains, impedes or prohibits the Recapitalization Transaction or the Plan;

(h) if the Arrangement Proceedings (other than to comply with Section 1.10 hereof) or the CCAA Proceeding, are dismissed or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed with respect to any iAnthus Party, unless such appointment is made with the prior written consent of the Lenders, acting reasonably;

(i) the amendment or modification of, the filing of a motion or pleading by any iAnthus Party seeking to amend or modify, the Recapitalization Transaction Terms or the Plan or any material document or order relating thereto, unless such amendment, modification, or filing is acceptable to the Lenders, acting reasonably;

(j) (A) any of the conditions set forth in Section 1.12 are not satisfied or waived by the Voting Deadline or (B) any of the conditions set forth in Section 1.13 are not satisfied or waived by the Outside Date;

(k) if any court of competent jurisdiction has entered a final non-appealable judgment or order declaring this Support Agreement or any material portion thereof to be unenforceable;

(l) if any of the conditions set forth in Section 1.14(a)(i)are not satisfied or waived by December 31, 2020; or

(m) if the Recapitalization Transaction has not been completed and/or the Plan has not been implemented by the Outside Date,

in each case unless the event giving rise to the termination right is waived or cured in accordance with the terms hereof.

(3) This Support Agreement may be terminated by the Company on behalf of the iAnthus Parties, by providing written notice to the Lenders and each of the Consenting Debenture Holders in accordance with Section 1.22(13) hereof upon the occurrence and continuation of any of the following events:

(a) if the Interim Financing has not been advanced in full in accordance with Section 1.8;

(b) if the Lenders fail to approve any Draw Request delivered by the Borrower in compliance with the Interim Financing Budget (subject to the Permitted Variance), which failure is not cured within three (3) Business Days after receipt of written notice thereof;

(c) if any Lender or Consenting Debenture Holder takes any action materially inconsistent with this Support Agreement or fails to comply with, or defaults in the performance or observance of, in all material respects, any term, condition, covenant or agreement set forth in this Support Agreement that, if capable of being cured, is not cured within three (3) Business Days after receipt of written notice of such failure or default;

(d) if at any time the Consenting Debenture Holders that are party to this Support Agreement hold in the aggregate less than 75% of the principal amount of outstanding Unsecured Debt;

(e) if any Lender accelerates, or makes a demand for payment under, the Interim Financing or seeks to take any action to enforce on the indebtedness thereunder;

(f) upon the issuance of any final, non-appealable decision, order or decree by a Governmental Entity, in consequence of or in connection with the Recapitalization Transaction or the Plan, which prohibits the Recapitalization Transaction or the Plan; or

(g) if the Recapitalization Transaction has not been completed and/or the Plan has not been implemented by the Outside Date.

(4) This Support Agreement may be terminated at any time by mutual written consent of the Company, the Lenders and the Consenting Debenture Holders.

(5) This Support Agreement shall terminate automatically on the Effective Date upon implementation of the Plan.

Section 1.17 Effect of Termination

(1) Subject to Section 1.17(3) below, this Support Agreement, upon its termination, shall be of no further force and effect, and each Party hereto shall be automatically and simultaneously released from its commitments, undertakings, covenants, and agreements under or related to this Support Agreement, and each Party shall have the rights and remedies that it would have had it not entered into this Support Agreement and shall be entitled to take all actions, whether with respect to the Recapitalization Transaction or otherwise, that it would have been entitled to take had it not entered into this Support Agreement. For greater certainty, upon termination of this Support Agreement (i) each Party's obligations under the Term Sheet will terminate, and (ii) any and all votes submitted in respect of the Plan will be deemed to be withdrawn and shall have no effect in any other restructuring proceeding involving the iAnthus Parties.

(2) Each Party shall be responsible and shall remain liable for any breach of this Support Agreement by such Party occurring prior to the termination of this Support Agreement.

(3) Notwithstanding the termination of this Support Agreement pursuant to Section 1.16, the agreements and obligations of the Parties in Section 1.7(u) and Section 1.7(t) hereof shall survive such termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof. Upon the occurrence of any termination of this Support Agreement, any and all votes, consents and proxies tendered by any Lender or Consenting Debenture Holder prior to such termination shall be deemed, for all purposes, to be withdrawn, and null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Recapitalization Transaction, this Support Agreement, a CCAA Proceeding, or otherwise.

Section 1.18 Reaffirmation

Subject to the terms and conditions of this Support Agreement (and so long as this Support Agreement has not been terminated), each iAnthus Party hereby extends, reaffirms, ratifies and confirms all of its obligations and the terms and conditions of each Transaction Agreement (as defined in the Amended Secured Debenture Purchase Agreement) in their entirety, and ratifies and confirms that (a) each Transaction Agreement remains in full force and effect and enforceable against each iAnthus Party in accordance with its terms; (b) there are no defenses, setoffs or counterclaims with respect to any Transaction Agreement; and (c) each guaranty and lien granted under the Transaction Agreements continues to guaranty and secure the Obligations (as defined in the Amended Secured Debenture Purchase Agreement) of the iAnthus Parties under the Transaction Agreements in accordance with their terms.

Section 1.19 Further Assurances

Subject to the terms and conditions of this Support Agreement, each Party shall take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Support Agreement, to accomplish the purpose of this Support Agreement or to assure to the other Party the benefits of this Support Agreement, including, the consummation of the Recapitalization Transaction in all cases at the expense of the iAnthus Parties.

Section 1.20 Public Announcements

All public announcements made in respect of the Recapitalization Transaction shall be made solely by the Company, provided that such public announcements shall be in form and substance acceptable to the Lenders, the Initial Consenting Debenture Holders and the Company, each acting reasonably. Notwithstanding the foregoing, nothing herein shall prevent a party from making public disclosure in respect of the Recapitalization Transaction to the extent required by applicable Law.

Section 1.21 Lender Consents

The Lenders acknowledge that (i) Gotham Green Admin 1, LLC, in its capacity as collateral agent under the Amended Secured Debenture Purchase Agreement (the "GGP Agent"), has been appointed to act for them under the Amended Secured Debenture Purchase Agreement and that where a consent, approval or waiver is required from the Lenders under this Support Agreement, the written consent, approval or waiver of the GGP Agent shall be sufficient to meet that requirement as to any matter, provided, however, the Lenders' prior unanimous written consent will be required to amend the Support Agreement or the Recapitalization Transaction Terms; (ii) delivery by any iAnthus Party of a request for Lender consent, approval or waiver to the GGP Agent shall satisfy any requirement to deliver such request to the Lenders hereunder; and (iii) each iAnthus Party shall be entitled to rely on any written consent, approval or waiver granted by the GGP Agent.

Section 1.22 Miscellaneous

(1) The headings in this Support Agreement are for reference only and shall not affect the meaning or interpretation of this Support Agreement.

(2) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

(3) This Support Agreement (including the Term Sheet and the other schedules attached to this Support Agreement) constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof; provided, however, that this Support Agreement does not alter or supersede any confidentiality or non- disclosure agreement between the Company and any of the Consenting Debenture Holders or any of the Lenders. No prior history, pattern or practice of sharing confidences among or between the Parties shall in any way affect or negate this understanding and agreement.

(4) Unless as expressly otherwise set forth herein, this Support Agreement may be modified, amended, waived or supplemented as to any matter in writing (which may include e-mail) by the Company (on behalf of the iAnthus Parties), the Lenders and the Initial Consenting Debenture Holders;

(5) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise.

(6) No Party shall have any responsibility by virtue of this Support Agreement for any trading by any other entity. No prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Support Agreement.

(7) Any date, time or period referred to in this Support Agreement shall be of the essence except to the extent to which the Company (on behalf of the iAnthus Parties), the Lenders and the Initial Consenting Debenture Holders agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

(8) (The agreements, representations and obligations of the Lenders and the Consenting Debenture Holders under this Support Agreement are, in all respects, several and not joint and several.

(9) This Support Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction) and all actions or proceedings arising out of or relating to this Support Agreement shall be heard and determined exclusively in the courts of the Province of Ontario.

(10) It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Support Agreement and each non- breaching Party shall be entitled, in addition to any other remedy that may be available under applicable law, to specific performance and injunctive or other equitable relief as a remedy of any such breach, including an order by a court of competent jurisdiction requiring any Party to comply promptly with any of such obligations, without the necessity of proving the inadequacy of money damages as a remedy. Each Party hereby waives any requirement for the security or posting of any bond in connection with such remedies.

(11) Unless expressly stated otherwise herein, this Support Agreement is intended to solely bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives. No other person or entity shall be a third party beneficiary hereof.

(12) Except as otherwise set forth in Section 1.5(b)(ii) and Section 1.6(d)(ii), no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Support Agreement without the prior written consent of the other Parties hereto.

(13) All notices, requests, consents and other communications hereunder to any Party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by facsimile, internationally-recognized overnight courier or email. All notices required or permitted hereunder shall be deemed effectively given: (i) upon personal delivery to the Party to be notified, (ii) when sent by facsimile or email if sent during normal business hours of the recipient, if not, then on the next Business Day of the recipient; or (iii) one (1) Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All deliveries required or permitted hereunder shall be deemed effectively made: (A) upon personal delivery to the Party receiving the delivery; (B) one (1) Business Day after deposit with an internationally recognized overnight courier, specifying next day delivery, with written verification of receipt; or (C) upon receipt of delivery in accordance with instructions given by the Party receiving the delivery. Any Party may change the address to which notice should be given to such Party by providing written notice to the other Parties hereto of such change. The address, facsimile and email for each of the Parties shall be as follows:

(a) If to the Company or the iAnthus Parties at: iAnthus Capital Holdings, Inc.

c/o McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Attention: Wael Rostom, Tushara Weerasooriya and James Munro

Email:

(b) If to one or more of the Lenders at the addresses set forth in the notice provision in Article 18 of the Amended Secured Debenture Purchase Agreement, with a copy (which shall not be deemed notice) to:

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto ON, M5V 3J7

Attention: Robin B. Schwill

Email:rschwill@dwpv.com

and

SkyLaw Professional Corporation
3 Bridgman Avenue, Suite 204
Toronto, ON M5R 3V4

Attention: Kevin R. West

Email: kevin.west@skylaw.ca

(c) If to one or more of the Consenting Unsecured Debenture Holders at:

The address set forth for each applicable Consenting Unsecured Debenture Holder on its signature page to this Support Agreement, with a required copy (except in respect of Oasis Investments II Master Fund Ltd.) (which shall not be deemed notice) to:

Cassels Brock & Blackwell LLP
Suite 2100, 40 King Street West
Scotia Plaza
Toronto, Ontario M5H 3C2

Attention:

Email:

in respect of Oasis Investments II Master Fund Inc., with a copy to:

Stikeman Elliott LLP
Suite 5300, 199 Bay Street
Commerce Court West
Toronto, Ontario M5L 1B9

Attention:

Email:

(14) If any term, provision, covenant or restriction of this Support Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions, including terms, covenants and restrictions, of this Support Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the parties shall negotiate in good faith to modify this Support Agreement so as to effect the original intent of the Parties as closely as possible in a reasonably acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

(15) This Support Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

[Remainder of Page Intentionally Left Blank]

The Parties have executed this Support Agreement effective as of the date first written above.

COMPANY:

IANTHUS CAPITAL HOLDINGS, INC.

By: /s/ Randy Maslow
Name: Randy Maslow
Title: Interim Chief Executive Officer & President

SUBSIDIARY GUARANTORS:

S8 RENTAL SERVICES, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

MPX BIOCEUTICAL ULC

By: /s/ Julius Kalcevich
Name: Julius Kalcevich
Title: Chief Executive Officer

BERGAMOT PROPERTIES, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IANTHUS CAPITAL MANAGEMENT, LLC LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IANTHUS HOLDINGS FLORIDA, LLC LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

GROWHEALTHY PROPERTIES, LLC LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

FALL RIVER DEVELOPMENT COMPANY, LLC LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

CGX LIFE SCIENCES INC. LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

GTL HOLDINGS, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

AMBARY, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IA NORTHERN NEVADA, INC.

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IANTHUS ARIZONA, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

SCARLET GLOBEMALLOW, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

MCCRORY'S SUNNY HILL NURSERY, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IANTHUS EMPIRE HOLDINGS, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

MPX LUXEMBOURG SARL

By: /s/ Julius Kalcevich
Name: Julius Kalcevich
Title: Manager

PAKALOLO, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

S8 MANAGEMENT, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

GHHIA MANAGEMENT, INC.

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IA IT, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

PILGRIM ROCK MANAGEMENT, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IMT, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IANTHUS NEW JERSEY, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

CITIVA MEDICAL, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

FWR, INC.

By: /s/ Alexandra Ford
Name: Alexandra Ford
Title: President

MAYFLOWER MEDICINALS, INC.

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

GREENMART OF NEVADA NLV, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

IA CBD, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

GRASSROOTS VERMONT MANAGEMENT SERVICES, LLC

By: /s/ Randy Maslow
Name: Randy Maslow
Title: President

LENDERS:

GOTHAM GREEN FUND 1, L.P.

By: Gotham Green GP 1, LLC, as General Partner

By: /s/ Jason Adler
Name: Jason Adler
Title: Managing Member

Principal Amount of Secured Debt
US$13,993,505.56
Number of Common Shares of iAnthus
1,173,399

GOTHAM GREEN FUND 1 (Q), L.P.
By: Gotham Green GP 1, LLC, as General Partner

By: /s/ Jason Adler
Name: Jason Adler
Title: Managing Member

Principal Amount of Secured Debt
US$8,000,250.00
Number of Common Shares of iAnthus
180,006

GOTHAM GREEN ADMIN 1, LLC

By: /s/ Jason Adler
Name: Jason Adler
Title: Managing Member

Principal Amount of Secured Debt
n/a
Number of Common Shares of iAnthus
n/a

GOTHAM GREEN FUND II, L.P.
By: Gotham Green GP II, LLC, as General Partner

By: /s/ Jason Adler
Name: Jason Adler
Title: Managing Member

Principal Amount of Secured Debt
US$1,466,300.00
Number of Common Shares of iAnthus
n/a

GOTHAM GREEN FUND II (Q), L.P.
By: Gotham Green GP II, LLC, as General Partner

By: /s/ Jason Adler
Name: Jason Adler
Title: Managing Member

Principal Amount of Secured Debt
US$8,533,700.00
Number of Common Shares of iAnthus
n/a

GOTHAM GREEN CREDIT PARTNERS SPV I, L.P.
By: Gotham Green Partners SPV I, LLC, as General Partner

By: /s/ Jason Adler
Name: Jason Adler
Title: Managing Member

Principal Amount of Secured Debt
US$29,364,022.22
Number of Common Shares of iAnthus
2,762,646

Signature Page to Support Agreement

GOTHAM GREEN PARTNERS SPV V, L.P.
By: Gotham Green Partners SPV V, LLC, as General Partner

By: /s/ Jason Adler
Name: Jason Adler
Title: Managing Member

Principal Amount of Secured Debt
US$17,150,000
Number of Common Shares of iAnthus
n/a

Principal Amount of Secured Debt
US$3,750,000
Number of Common Shares of iAnthus
n/a

Principal Amount of Secured Debt
US$250,000
Number of Common Shares of iAnthus
n/a

Principal Amount of Secured Debt
US$15,000,000
Number of Common Shares of iAnthus
n/a

CONSENTING DEBENTURE HOLDERS:

Jurisdiction of residence for legal purposes:

Email:

Address:

Principal Amount of Unsecured Debt
US$25,000,000
Number of Common Shares of iAnthus
n/a

Jurisdiction of residence for legal purposes: United Kingdom

Email:

Address:

Principal Amount of Unsecured Debt
US$7,000,000
Number of Common Shares of iAnthus
n/a

Jurisdiction of residence for legal purposes:

Email:

Address:

Principal Amount of Unsecured Debt
US$2,000,000
Number of Common Shares of iAnthus
n/a

Jurisdiction of residence for legal purposes:

Email:

Address:

Principal Amount of Unsecured Debt
US$2,500,000
Number of Common Shares of iAnthus
n/a

Jurisdiction of residence for legal purposes: Cayman Islands

Email:

Address:

Principal Amount of Unsecured Debt
US$18,500,000
Number of Common Shares of iAnthus
n/a

Schedule A - Subsidiaries

S8 Rental Services, LLC
MPX Bioceutical ULC
Bergamot Properties, LLC
iAnthus Capital Management, LLC
iAnthus Holdings Florida, LLC
GrowHealthy Properties, LLC
Fall River Development Company, LLC
CGX Life Sciences Inc.
GTL Holdings, LLC
iAnthus Empire Holdings, LLC
Ambary, LLC
MPX Luxembourg SARL
iA Northern Nevada, Inc.
Pakalolo, LLC
iAnthus Arizona, LLC
S8 Management, LLC
Scarlet Globemallow, LLC
GHHIA Management, Inc.
McCrory's Sunny Hill Nursery, LLC
iA IT, LLC
Pilgrim Rock Management, LLC
Mayflower Medicinals, Inc.
IMT, LLC
GreenMart of Nevada NLV, LLC
iAnthus New Jersey, LLC
iA CBD, LLC
Citiva Medical, LLC
Grassroots Vermont Management Services, LLC
FWR, Inc.

Schedule B - Definitions

"**1933 Act**" means the United States Securities Act of 1933, as amended.

"**2023 Debentures**" means 8% unsecured debentures due on March 15, 2023, in the original principal amount of US$60,000,000.

"**Affiliate**" of any Person shall mean any Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided, that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"**Amended Secured Debenture Purchase Agreement**" has the meaning set out in Section 1.8(c)(i).

"**Arrangement Proceedings**" has the meaning set out on the Recitals.

"**BCBCA**" has the meaning set out on the Recitals.

"**Borrower**" means the Company's wholly owned subsidiary iAnthus Capital Management, LLC.

"**Business Day**" means each day, other than a Saturday or Sunday or a statutory or civic holiday on which banks are open for business in Toronto, Ontario and New York, NY.

"**Canadian Securities Commissions**" means, collectively, the applicable securities commissions or regulatory authorities in each of the provinces of Canada.

"**Canadian Securities Laws**" means, collectively, and, as the context may require, the applicable securities laws of each of the provinces of Canada, and the respective regulations and rules made under those securities laws together with all applicable policy statements, instruments, blanket orders and rulings of the Canadian Securities Commissions and all discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Support Agreement together with applicable published policy statements of the Canadian securities administrators, as the context may require.

"**Cassels**" has the meaning set out in Section 1.7(d).

"**CCAA**" means the Companies' Creditors Arrangement Act (Canada), R.S.C. 1985 c.C-36, as amended.

"**CCAA Plan**" means a plan of reorganization, compromise or arrangement under the CCAA.

"**CCAA Proceeding**" means a proceeding commenced under the CCAA.

"**Collateral Agent**" means the Collateral Agent under the Existing Secured Debenture Purchase Agreement.

"**Company**" has the meaning set out on the title page.

"**Cease Trade Order**" has the meaning set out in Section 1.2(i)(i).

"**Common Shares**" means the common shares of the Company.

"**Consenting Debenture Holders**" means the Unsecured Debenture Holders that have executed this Support Agreement or a Joinder Agreement hereto.

"**Consent to Dismissal**" has the meaning set out in Section 1.14(c)(viii).

"**Company Advisors**" has the meaning set out in Section 1.8(c)(ii).

"**Court**" means the Supreme Court of British Columbia.

"**Creditor Advisors**" has the meaning set out in Section 1.7(t).

"**CSA**" has means the U.S. Controlled Substances Act, 21 USC 801 et seq.

"**CSE**" means the Canadian Securities Exchange.

"**Davies**" has the meaning set out in Section 1.7(d).

"**Debenture Holder Relevant Shares**" has the meaning set out in Section 1.2(a)(ii)

"**Definitive Documents**" means all definitive agreements, court materials and other material documents in connection with the Recapitalization Transaction, Interim Financing and the Arrangement Proceedings and/or the CCAA Proceedings (as applicable) and any and all amendments, modifications or supplements relating to any of the foregoing, including, without limitation and as applicable, this Support Agreement, Plan, the Interim Order, the Final Order, an amended Amended Secured Debenture Purchase Agreement and all material applications, motions, pleadings, orders, rulings and other documents filed by the Company with the Court in the Arrangement Proceedings or the CCAA Proceedings, the Information Circular and any other material documentation required in connection with the meetings of the Unsecured Debenture Holders, and if required, shareholders and all other material transaction documents relating to the Recapitalization Transaction and the Plan (including any new (or amended) articles of incorporation, by-laws and other constating documents of the Company), all of the foregoing in form and substance acceptable to the Company, Lenders and Initial Consenting Debenture Holders, each acting reasonably.

"**Effective Date**" means the date on which the Recapitalization Transaction is implemented pursuant to the Plan.

"**Effective Time**" means the effective time of the Plan on the Effective Date.

"**Existing Shares**" means all issued and outstanding Common Shares of iAnthus on the Effective Date immediately prior to the implementation of the Recapitalization Transaction.

"**Existing Secured Debenture Purchase Agreement**" means the Amended and Restated Secured Debenture Purchase Agreement dated October 10, 2019 but effective September 30, 2019, by and among the Lenders party thereto, the iAnthus Parties party thereto and the Collateral Agent, as amended by that certain First Amendment to Amended and Restated Secured Debenture Purchase Agreement dated December 19, 2019.

"**Final Order**" means a final order of the Court pursuant to the BCBCA that, inter alia, approving the Plan, in form and substance acceptable to the Company, Lenders and Initial Consenting Debenture Holders, each acting reasonably.

"**Foreign Private Issuer**" means a "foreign private issuer" as defined in Rule 405 under the 1933 Act.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**iAnthus**" has the meaning set out on the title page.

"**iAnthus Party**" and "**iAnthus Parties**" have the meanings set out on the Recitals.

"**Information Circular**" means the notice of the meetings of the Lenders, Unsecured Debenture Holders and shareholders, if applicable, for purposes of voting on the Plan, and accompanying management information circular in respect of the Plan, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent by the Company to security holders in connection with the Recapitalization Transaction and the Plan, in form and substance acceptable to the Company, Lenders and Initial Consenting Debenture Holders.

"**Initial Consenting Debenture Holders**" means each of

"**Interim Financing**" has the meaning set out in Section 1.8(a).

"**Interim Financing Budget**" means the weekly financial cash flow of the iAnthus Parties, which shall be in form and substance acceptable to the Lenders and Initial Consenting Debenture Holders, acting reasonably (as to scope, detail and content), which may be amended from time to time with the approval of the Lenders in accordance with Section 1.8.

"**Interim Order**" means an interim order of the B.C. Court pursuant to the BCBCA that, inter alia, approves the calling for separate meetings of the Lenders, Unsecured Debenture Holders, and if required, shareholders, to consider and vote on the Plan, in form and substance acceptable to the Company, Lenders and Initial Consenting Debenture Holders, each acting reasonably.

"**Joinder Agreement**" means a joinder agreement, in the form appended hereto at Schedule D, pursuant to which a Lender or a Consenting Debenture Holder agrees, among other things, to be bound by and subject to the terms of this Support Agreement and thereby may be a Lender or a Consenting Debenture Holder, applicable.

"**Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, municipal by- laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, voluntary restraints, guidelines of any Governmental Body, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which such word is used, whether applicable in Canada or the United States or any other jurisdiction; and "**Law**" means any one of them. Notwithstanding the foregoing, the definition of Laws excludes any U.S. federal laws, Canadian federal, provincial or territorial laws, statutes, codes, ordinances, decrees, rules, regulations which apply to the production, trafficking, distribution, processing, extraction, sale, or any transactions promoting the business or involving the proceeds of marijuana (cannabis) and related substances (collectively, the "**Excluded Laws**"); provided, however, that Excluded Laws shall not include any provision of the U.S. Internal Revenue Code, including, without limitation, Section 280E of the Code.

"**Lender Relevant Shares**" has the meaning set out in Section 1.3(a)(ii).

"**Lenders**" means each of Gotham Green Admin 1, LLC, Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Credit Partners SPV 1, L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Gotham Green Partners SPV V, L.P., Pura Vida Master Fund, Ltd., Pura Vida Pro Special Opportunity Master Fund, Ltd. and Parallax Master Fund, L.P. and "**Lender**" means any one of them, and any party that has executed a Joinder Agreement hereto as a Lender.

"**Material Adverse Change**" means any event, change, circumstance or effect occurring up to and including the closing of the Recapitalization Transaction that would reasonably be expected to be or become, individually or in the aggregate, materially adverse to the Company and its Subsidiaries (taken as a whole), or which would materially impair the Company's ability perform its obligations under this Support Agreement or have a materially adverse effect on or prevent or materially delay the consummation of the transactions contemplated by this Support Agreement, provided that none of the following shall constitute a Material Adverse Change: (a) any change in applicable accounting standards; (b) any change in global, national or regional political conditions (including, pandemics, the outbreak of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets; (c) any change affecting any of the industries in which the Company operates, including changes in exchange rates or commodity prices; (d) any natural disaster; (e) any change resulting from the execution, announcement, or performance of the Term Sheet, this Support Agreement, the Plan or any other related agreement and the consummation of the Recapitalization Transaction; (f) any change in the market price or trading volume of any securities of the Company or any suspension of trading in securities generally on any securities exchange on which any securities of the Company trade including, but not limited to, the Cease Trade Order, or the failure, in and of itself, of the Company to meet any internal or public projections, forecasts or estimates of revenues or earnings (it being understood that the underlying facts giving rise to or contributing to such change or failure may be taken into account in determining whether there has been a Material Adverse Change); or (g) any action taken by the Company in accordance with the Arrangement Proceedings, Term Sheet, this Support Agreement or the Plan except in the cases of clauses (b), (c) or (d), to the extent that the Company, taken as a whole, is disproportionately affected as compared with other participants in the industries in which the Company operates.

"**Milestones**" means those milestones set forth in Section 1.7(c) hereof or the timelines applicable to a CCAA Proceeding commenced in accordance with this Support Agreement as set forth in Schedule E (as the same may be amended pursuant to the terms of this Support Agreement).

"**Non-Material Properties**" means (i) 1204 E. Perkinsville Road, Chino Valley, AZ, 68323, (ii) Lots 26 & 27 of Gateway Airport Commerce Park, Mesa, AZ, 85212, and (iii) Block 375.02, Lot 3 QFarm, Block 375.01, Lot 7 QFarm, Block 375.01, Lot 9 QFarm, Block 375.01, Lot 14, Block 396, Lot 3 QFarm, Block 396, Lot 14 QFarm, Block 429, Lot 4 Qfarm, Block 375.01, Lot 14 Qfarm, Block 375.01, Lot 8 Qfarm, Block 375.01, Lot 15 QFarm, Block 375.02, Lot 1 QFarm, Block 375.01, Lot 15 QFarm, Block 375.02, Lot 1 QFarm, Block 375.01, Lot 5 QFarm, Block 375.01, Lot 13, Block 375.02, Lot 2 QFarm, Block 429, Lot 3, Block 429, Lot 3 QFarm, on Cologne Avenue and Leipzig Avenue in Galloway, New Jersey, 08205.

"**Oasis Litigation**" has the meaning set out in Section 1.5(e).

"**Outside Date**" means (i) in respect of the Arrangement Proceedings, June 30, 2021, and (ii) in respect of the CCAA Proceedings commenced in accordance with this Support Agreement, August 31, 2021, provided that, in either case, such dates shall be automatically extended, upon the written consent of the Lenders and the Initial Consenting Debenture Holders, acting reasonably, to the date on which any regulatory approval or consent condition to implementation of the Plan or the CCAA Plan, as applicable, is satisfied or waived.

"**Party**" means a signatory to this Support Agreement.

"**Permitted Variance**" means an adverse variance of actual cumulative receipts less cumulative disbursements as compared to budgeted cumulative receipts less cumulative disbursements in excess of the greater of (i) 12.5% or (ii) $250,000, since the beginning of the period covered by the then current Interim Financing Budget (excluding the amount by which actual disbursements made to the Creditor Advisors exceed the budgeted disbursements to the Creditor Advisors for that period).

"**Person**" means and individual, a corporation, a partnership, a limited liability company, organization, trustee, executor, administrator, a trust, an unincorporated association, a Governmental Entity or any agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body.

"**Plan**" has the meaning set out on the Recitals.

"**Recapitalization Transaction**" has the meaning set out on the Recitals.

"**Recapitalization Transaction Terms**" has the meaning set out on the Recitals.

"**Regulation D**" means Regulation D promulgated under the 1933 Act.

"**Regulation S**" means Regulation S promulgated under the 1933 Act.

"**Released Parties**" has the meaning set out in Section 1.15.

"**Releases**" has the meaning set out in Section 1.15.

"**Relevant Secured Debt**" has the meaning set out in Section 1.3(a)(i).

"**Relevant Unsecured Debt**" has the meaning set out in Section 1.2(a)(i).

"**Secured Debt**" means the debt outstanding under the Secured Debentures.

"**Secured Debentures**" means the secured debentures issued by the Borrower under the Existing Secured Debenture Purchase Agreement and the Amended Secured Debenture Purchase Agreement, as applicable.

"**Secured Debenture Defaults**" has the meaning set out in Section 1.6(l).

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Small Business Loan**" means the loan advanced to iA CBD, LLC by the U.S. Small Business Administration in the principal amount of US$150,000 on or about June 29, 2020, under the United States Coronavirus Aid, Relief, and Economic Security Act.

"**Subsidiary**" and "**Subsidiaries**" have the meanings set out on the title page.

"**Support Agreement**" has the meaning set out on the Recitals.

"**Term Sheet**" has the meaning set out on the Recitals.

"**Transaction Securities**" means the Common Shares and the Preferred Equities (as defined in the Term Sheet) issued by the iAnthus at the Effective Time.

"**Transfer**" has the meaning set out in Section 1.5(b)(i).

"**UCC Sale Process**" means the foreclosure sale process run by the Collateral Agent or its representatives with or on behalf of the Lenders under Article 9 of the applicable Uniform Commercial Code following one or more events of default under the Secured Debentures.

"**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

"**Unsecured Debenture Holders**" means the holders of the 2023 Debentures.

"**Unsecured Debt**" means, collectively, the debt outstanding under the Unsecured Debt Documents.

"**Unsecured Debt Documents**" means the applicable (i) debenture purchase agreements, (ii) debenture certificates and (iii) warrant certificates, for the 2023 Debentures.

"**Unsecured Document Defaults**" has the meaning set out in Section 1.5(k).

"**U.S. Domestic Issuer**" means a "domestic issuer" as defined in Rule 902(e) of Regulation S.

"**U.S. Person**" means a "U.S. person" as defined in Rule 902(k) of Regulation S. "Variance Report" has the meaning set out in Section 1.8(c)(v).

"**Voting Deadline**" means the date on which votes are due in respect of the Plan, as established by the Interim Order in the Arrangement Proceedings or an order to be entered in the CCAA Proceedings, as the same may be amended by the order of the Court or by the Company with the prior written consent of the Lenders and the Initial Consenting Debenture Holders.

Schedule C – Term Sheet

iANTHUS CAPITAL HOLDINGS, INC.
RESTRUCTURING TERM SHEET

This restructuring term sheet (the "**Term Sheet**"), which is attached as Schedule C to the Restructuring Support Agreement dated as of July 9, 2020 (the "**RSA**") by and among the Lenders, Consenting Debenture Holders and the Company (each as defined below or in the RSA) summarizes the principal terms and conditions of a proposed restructuring of the Company (the "**Proposed Restructuring**"). The Term Sheet does not include a description of all of the terms, conditions and other provisions that are to be contained in the Definitive Documentation (as defined below) governing the Proposed Restructuring, which remain subject to discussion and negotiation in accordance with the RSA. The terms and conditions set out herein are subject to the RSA.

Summary of Terms – Proposed Restructuring

Issuer:	iAnthus Capital Management, LLC (the "**Borrower**")
Company:	iAnthus Capital Holdings, Inc. ("**Company**")
Credit Parties/ Guarantors:	The Company and all of its subsidiaries.
Lenders:	The Lenders holding secured debentures (the "**Secured Debentures**") under the Amended and Restated Secured Debenture Purchase Agreement dated October 10, 2019 but effective September 30, 2019 by an among the Lenders party thereto, the Credit Parties party thereto and the Collateral Agent, as amended by that certain First Amendment to Amended and Restated Secured Debenture Purchase Agreement dated December 19, 2019 (the "**Existing Secured Debenture Purchase Agreement**")
Unsecured Debenture Holders:	The holders of the 8% debentures due on March 15, 2023, in the original principal amount of US$60,000,000 (the "Unsecured Debentures"), (collectively, the "Unsecured Debenture Holders")
Parties:	The Company, Credit Parties, Lenders and the Initial Consenting Debenture Holders (as defined below) are collectively referred to as the "**Parties**"
Effective Date of RSA:	July [ ], 2020 or such later date as mutually agreed upon by the Parties

Revised Capital Structure: The Parties agree to revise the capital structure in accordance with the following terms:

1. The outstanding Secured Debentures shall be amended to reflect the following:

    a. The principal balance shall be reduced to $85 million, which amount shall be increased by the principal amount of all Interim Financing (as defined herein) ("**Restructured Senior Debt**");

    b. First lien, senior secured position over all assets of the Company and the Credit Parties as currently provided for;

    c. Non-convertible; PIK interest at an 8% interest rate and a maturity date of 5 years after the consummation of the Proposed Restructuring; Non-call for three (3) years; and

2. The Unsecured Debentures shall be exchanged for the Equity Consideration and Preferred Equity (each as defined below) granted to the Unsecured Debenture Holders as described herein.

3. Lenders shall be issued their *pro rata* share of $5.0 million of non-convertible preferred equity in the Company with an 8% PIK cumulative dividend and a maturity date of 5 years after the consummation of the Proposed Restructuring; Non-call for three (3) years that shall be subordinate to the Restructured Senior Debt but senior to the common equity ("**Preferred Equity**")[1];

4. Unsecured Debenture Holders shall be issued their *pro rata* share of $15.0 million of Preferred Equity;

5. The Lenders, on one hand, and the Unsecured Debenture Holders, on the other hand, shall each be issued an equal amount of common shares of the Company from treasury ("**Equity Consideration**") that, when added together with the Common Shareholder Interest (as defined below), equals 100% of the total issued and outstanding common shares of the Company at the effective time of the arrangement (prior to any anticipated dilution from any MIP (defined below)).

[1] The form of the "Preferred Equity" provided to the Lenders and Unsecured Debenture Holders and described herein may, in order to create the most tax efficient structure, instead be subordinated unsecured debt of the Borrower or other form of consideration that is agreed to by the Lenders, each of the Initial Consenting Debenture Holders and the Company, and on substantially similar economic terms.

6. The Company's outstanding common shareholders shall retain 2.75% ownership of the common equity ("**Common Shareholder Interest**");

7. A to-be-determined amount of equity shall be made available for directors, management and employee incentives as determined by the new Board following the consummation of the Proposed Restructuring (the "**MIP**"); and

8. All existing warrants and options of the Company shall be cancelled upon the consummation of the Proposed Restructuring.

As an example, if the Common Shareholder Interest is 2.75%, then (i) each Lender shall receive its pro rata portion of 48.625% of the outstanding common shares based on the principal amount of Secured Debentures held by such Lender, and (ii) each Unsecured Debenture Holder shall receive its pro rata portion of 48.625% of the outstanding common shares based on the principal amount of Unsecured Debentures held by such Lender, in each case calculated prior to any anticipated dilution to all holders of common shares from any MIP.

Transaction Implementation

The Proposed Restructuring will be pursued pursuant to an arrangement process under the*Business Corporations Act* (British Columbia) ("**BCBCA**") as determined and agreed by the Lenders, Initial Consenting Debenture Holders and Company. In the event that either (i) the requisite shareholder approval is not obtained or, (ii) the Parties agree to seek the approval of the Arrangement by the Court notwithstanding a failure, if any, to obtain shareholder approval, and the Court does not approve the Arrangement, then the Proposed Restructuring shall be pursued pursuant to proceedings commenced by the Company for approval of a pre-packaged plan of arrangement on the terms set forth herein under the *Companies' Creditors Arrangement Act*; provided that in a CCAA proceeding, the Common Shareholder Interest shall be nil.

Interim Financing:

Certain of the Lenders shall provide $14 million of Interim Financing to the Borrower on substantially the same terms as the Restructured Senior Debt and 5% OID (principal to be grossed up for OID). Interim Financing shall be funded to the Borrower within 3 Business Days of signing the RSA, which shall include as exhibits the requisite financing documentation under the existing Secured Debenture Purchase Agreement including an agreement on a budget, all in form satisfactory to the Lenders, Initial Consenting Debenture Holders and Company, each in their sole discretion. In the event of a CCAA proceeding, Interim Financing amount will be increased by $1million to be funded in accordance with an approved budget pursuant to the terms of the RSA. Any additional funding would be in Lender's sole discretion, with the prior written consent of the Initial Consenting Debenture Holders.

The amounts of the Interim Financing advanced to the Company shall be converted into and the principal balance shall be added to the Restructured Senior Debt amount above upon consummation of the Proposed Restructuring.

Maintenance of Status	Following implementation of the Proposed Restructuring, the Company shall remain a reporting issuer in each province of Canada in which it is currently a reporting issuer and the Company will take all such actions as are commercially reasonable, subject to the Company being able to satisfy applicable listing and public float and public holder requirements, to maintain a listing of its common shares on the Canadian Securities Exchange (the "**CSE**") or such other recognized stock exchange acceptable to the Lenders, Initial Consenting Debenture Holders and Company. For the purpose of this Term Sheet, "public float" and "public holder" have the meanings ascribed thereto in the CSE's Policy 1 – *Interpretation and General Provisions*. For the avoidance of doubt, the NEO Exchange Inc. is a recognized stock exchange that is acceptable to the Lenders, Initial Consenting Debenture Holders and the Company.
Governance/ Management:	Upon execution of the RSA (and so long as the RSA has not been terminated) the Company will (i) use commercially reasonable efforts to optimize operations of the business, including controlling and monitoring costs (the "**Optimization Efforts**"), (ii) engage Gene Davis of Pirinate Consulting Group, LLC as an advisor to the Company, on terms acceptable to the Lenders, Initial Consenting Debenture Holders and the Company,[2] and to assist the Company in connection with the Optimization Efforts, and (iii) permit the Initial Consenting Debenture Holders to have Zachary Arrick sit as a Board observer to participate in Board meetings on the same terms on which the current Board observers appointed by the Lenders serve. Nothing herein shall in any way affect the existing Board observer rights of the Lenders.

2 The terms of such advisor's engagement will include (i) a limit on the fees paid to such advisor of USD$30,000 per month, and (ii) termination of such engagement on the earlier of (A) termination of the RSA, (B) implementation of the Proposed Restructuring, or (C) six (6) months.

Upon implementation of the Proposed Restructuring, the board of directors ("**Board**") will be constituted as follows:

- Lenders – three (3) nominees
- Initial Consenting Debenture Holders – three (3) nominees (one; one by; one by)
- CEO to be the 7th member of the Board. CEO to be agreed upon by the Lenders and Initial Consenting Debenture Holders' nominees.

Board compensation to be decided by the new Board. The Board will determine how to capitalize the business in the future.

Key executives and day-to-day management of the Company and its subsidiaries will be subject to further determination.

Voting Structure; Sacred Rights: The Parties will enter into a shareholder or voting agreement effective as of the date of the issuance of the Equity Consideration setting forth corporate governance matters including the nomination rights above and the following:

Any decision of the Company involving (i) issuance of voting equity shares, (ii) any related party transactions or (iii) amendments to the Restructured Senior Debt or Preferred Equity shall at all times require the approval of 5 of 7 directors of the new Board or such other approval thresholds as the Parties may agree.

For a period of three (3) years following the consummation of the Proposed Restructuring, (i) the Lenders' Equity Consideration may not be used to vote more than 35.78% of the issued and outstanding common shares (the shares excluded from voting are also removed from the total amount of issued and outstanding common shares for purposes of determining voting percentage), (ii) nor may the Lenders in aggregate hold more than 49% of the Company's outstanding common shares without approval from the Board.

Regulatory Approval: The Lenders, Initial Consenting Debenture Holders and the Company (and its officers and directors) shall cooperate to obtain necessary regulatory approval from state regulatory agencies to effect the Proposed Restructuring. The Parties shall enter into transition service agreements and/or other agreements as may be necessary during the regulatory approval period (to be identified during negotiations and prior to entering into definitive agreements). The Parties will cooperate in exploring implementation options that minimize regulatory approval requirements and risks.

Restructuring Support Agreement	which holders hold at least 75% of the principal amount of the Unsecured Debentures (those holders being referred to as the "**Initial Consenting Debenture Holders**"), the Lenders and Company and shall enter into a RSA to outline the terms and conditions of support, requisite milestones and means of implementation of the Proposed Restructuring.
Definitive Documentation	All definitive documentation necessary in connection with and to implement the Proposed Restructuring, including but not limited to all requisite court materials, plans, circulars, court orders, meeting materials, transaction and financing documentation, transition services agreements and other documentation in connection with all of the foregoing, shall be acceptable to each of the Lenders, Initial Consenting Debenture Holders and the Company, each acting reasonably. The Parties will seek to implement the transactions described herein, including the revised capital structure, in a tax efficient manner acceptable to the Parties.
Releases	Plan of Arrangement and Court order approving arrangement to provide for broad mutual releases among and for the benefit of the Company, Credit Parties, Lenders and Unsecured Debenture Holders, and their respective subsidiaries, officers, directors, employees, financial advisors, legal counsel and agents, in a form customary for a transaction of this nature.
Waiver of Events of Default / Withdrawal of UCC Process	Upon the Effective Date of the RSA and subject to the terms thereof, the Collateral Agent, the Lenders and the Consenting Debenture Holders shall agree to forbear from further exercising any rights or remedies in connection with any Events of Default that now exist or may in future arise under the Unsecured Debentures or under the Secured Debenture Purchase Agreement or any other transaction agreement delivered in connection therewith or any other agreement to which the Collateral Agent, Lenders or Consenting Debenture Holders are party with the Company (the "**Defaults**"), and shall take such steps as are necessary to stop any current or pending enforcement efforts in relation thereto including but not limited to the Notice of Disposition of Collateral and Public Sale issued by Gotham Green Admin 1, LLC and dated June 25, 2020 (the "**UCC Sale Process**"). Upon consummation of the Proposed Restructuring and subject to the terms of the RSA, the Collateral Agent, Lenders and Consenting Debenture Holders shall have irrevocably waived all Defaults, and the Collateral Agent and Lenders shall have taken all steps required to withdraw, revoke and/or terminate the UCC Sale Process.

Schedule D – Joinder Agreement

JOINDER AGREEMENT

This Joinder Agreement is made as of the date below (the "**Joinder Agreement**") by the undersigned (the "**Consenting Debtholder**") in connection with the restructuring support agreement dated July [X], 2020 (the "**Support Agreement**") among (i) iAnthus Capital Holdings, Inc. ("**iAnthus**"), (ii) the Subsidiaries (as defined in the Support Agreement), (iii) each of the signatories to the Support Agreement that is a Lender (as defined in the Support Agreement), and (iv) each of the Consenting Debenture Holder (as defined in the Support Agreement) party thereto. Capitalized terms used herein have the meanings assigned in the Support Agreement unless otherwise defined herein.

RECITALS:

A. The Support Agreement allows holders of transferred Relevant Unsecured Debt, Debenture Holder Relevant Shares, Relevant Secured Debt, Tranche 4 Debentures and/or Lender Relevant Shares to become a party thereto by executing a Joinder Agreement.

B. Sections 1.5 and 1.6 of the Support Agreement require that, contemporaneously with a Transfer of any (i) Relevant Unsecured Debt and/or Debenture Holder Relevant Shares by a Consenting Debenture Holder, and (ii) Relevant Secured Debt, Tranche 4 Debentures and/or Lender Relevant Shares by a Lender, respectively, to a transferee who is not already a Consenting Debenture Holder or Lender, as applicable, such transferee shall execute and deliver this Joinder Agreement.

C. The Consenting Debtholder wishes to be bound by the terms of the Support Agreement on the terms and subject to the conditions set forth in this Joinder Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Consenting Debtholder agrees as follows:

1. The Consenting Debtholder hereby agrees to be fully bound as a Consenting Debenture Holder or Lender, as applicable, under the Support Agreement in respect of the Relevant Unsecured Debt, Debenture Holder Relevant Shares, Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares that are identified on the signature page hereto, and hereby represents and warrants that the Relevant Unsecured Debt, Debenture Holder Relevant Shares, Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares set out on the signature page constitute all of the Relevant Unsecured Debt, Debenture Holder Relevant Shares, Relevant Secured Debt, Tranche 4 Debentures or Lender Relevant Shares, as applicable, that are legally or beneficially owned by such Consenting Debtholder or which such Consenting Debtholder has the sole power to vote or dispose of.

2. The Consenting Debtholder hereby represents and warrants to each of the other Parties that the representations and warranties set forth in Section 1.2 or 1.3 of the Support Agreement, as applicable, are true and correct with respect to such Consenting Debtholder as if given on the date hereof.

3. Except as expressly modified hereby, the Support Agreement shall remain in full force and effect, in accordance with its terms.

4. This Joinder Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the principles of conflicts of law.

5. This Joinder Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

[Remainder of this page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered by its proper and duly authorized officer as of, 2020.

[NAME OF CONSENTING DEBTHOLDER]

By: _____
Name:
Title:

Jurisdiction of residence for legal purposes: _____

Email: _____

Address: _____

Principal Amount of Relevant [Unsecured/Secured Debt/ Tranche 4 Debentures]
$
Number of [Debenture Holder/Lender] Relevant Shares

Schedule E – CCAA Proceedings Terms And Timeline

In the event that the Company commences a CCAA Proceeding, then:

(a) the Recapitalization Transaction shall be implemented on substantially the same terms as set forth in this Support Agreement, the Term Sheet, the Plan, with any necessary amendments as the structure and implementation of the Recapitalization Transaction may reasonably require pursuant to a CCAA Proceeding and as iAnthus, the Lenders and the Initial Consenting Debenture Holders may agree, each acting reasonably, and in accordance with the terms and timelines set forth herein; provided that the holders of the Existing Shares shall, after implementation of the Recapitalization Transaction, be entitled to no recovery;

(b) the Initial CCAA Order shall include, among other things: (a) appointment of FTI Consulting Canada Inc. as CCAA Monitor, (b) a super-priority Administration Charge in the amount of $5,500,000 that ranks ahead of the Secured Debentures and the Interim Financing and shall secure the fees and expenses the Company Advisors and the Creditor Advisors, (c) a super-priority Directors and Officers Charge in the amount of $3,000,000 that ranks ahead of the Secured Debentures, (d) provisions confirming that the votes cast in favour of the Plan in the Arrangement Proceedings shall stand as votes in favour of the CCAA Plan filed in the CCAA Proceeding, which shall be in form reasonably acceptable to the Company, the Lenders and the Initial Consenting Debenture Holders to implement a recapitalization and restructuring plan under the CCAA consistent in all respects with the Term Sheet, in which case the Lenders and Consenting Debenture Holders shall support and vote in favour of such CCAA Plan in the same manner and to the same extent they have agreed to support the transactions under a Plan, (e) a provision staying proceedings against the iAnthus Parties; (f) authority to continue to pay the accounts of the Creditor Advisors during the CCAA Proceeding, (g) a provision calling for meetings, if necessary, of the holders of the applicable secured and unsecured claims to cast votes for the CCAA Plan (the foregoing (d) and (g), the "CCAA Solicitation");

(c) the CCAA Solicitation shall be completed within no later than 21 Business Days after the commencement of the CCAA Proceeding. If the statutory requisite thresholds for approval of the CCAA Plan are achieved at the applicable meetings of creditors, the Company shall file an application for an order for sanction of the CCAA Plan, which order shall be in form reasonably acceptable to the Company, the Lenders and the Initial Consenting Debenture Holders (the "CCAA Sanction Order") no later than three (3) Business Days from the date such thresholds are achieved;

(d) to the extent that the Company fails to commence a CCAA Proceeding in accordance with the terms hereof, within five (5) Business Days of the deadlines set forth herein, the Lenders or any of the Initial Consenting Debenture Holders shall be entitled to seek the entry of the Initial CCAA Order containing the provisions described herein and the Company and its subsidiaries or affiliates shall not contest the granting of such relief;

(e) the implementation of the Recapitalization Transaction pursuant to the CCAA Plan shall occur no later than the Outside Date; and

(f) the Company and the Lenders, with the consent of the Initial Consenting Debenture Holders, will amend the Amended Secured Debenture Purchase Agreement, and the Interim Financing Budget, as reasonably necessary, to fund the CCAA Proceedings and the incremental professional costs of the Company Advisors and the Creditor Advisors, including the costs of the CCAA Monitor and its counsel, up to an additional US$1,000,000 subject to an approved budget; provided, however, that any further amounts shall be funded in the Lenders' sole discretion, with the prior written consent of the Initial Consenting Debenture Holders.

Schedule F – Form of Drawdown Request

DRAWDOWN REQUEST

TO: THE LENDERS (AS DEFINED BELOW)

FROM: iANTHUS CAPITAL MANAGEMENT, LLC (the "Borrower")

DATE: ●,2020

Pursuant to the restructuring support agreement dated as of July ●, 2020 (as amended, restated and otherwise modified from time to time, the "RSA") among, inter alios, the Borrower and Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Admin 1, LLC, Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Gotham Green Credit Partners SPV I, L.P., Gotham Green Partners SPV V, L.P., Pura Vida Master Fund, Ltd., Pura Vida Master Fund, Ltd., and Parallax Master Fund, L.P. (collectively, the "Lenders") and the Amended Secured Debenture Purchase Agreement (as defined in the RSA), the Borrower is required as a condition precedent to each advance under the Amended Secured Debenture Purchase Agreement to deliver this Drawdown Request to the Lenders. Unless otherwise defined herein, all capitalized terms used in this Drawdown Request will have the meanings given to such terms in the RSA.

The Borrower hereby certifies that:

(a) the advance requested under this Drawdown Request is and the proceeds therefrom shall be used in accordance with the Interim Financing Budget;

(b) the applicable representations and warranties set forth in Article 4 of the Amended Secured Debenture Purchase Agreement are true and accurate in all material respects as of the date hereof, as though made on and as of the date hereof;

(c) the iAnthus Parties are in compliance with the applicable covenants and applicable terms and conditions set forth in the Amended Secured Debenture Purchase Agreement, other than those that have been waived in writing by the Lenders; and

(d) no Event of Default under the Amended Secured Debenture Purchase Agreement has occurred and is continuing nor will the making of the requested advance result in the occurrence of any such event.

The Borrower hereby requests the Lenders' consent to an advance under the Interim Financing by way of a disbursement from the Loan Account as follows:

Date of advance:	[●]
Amount of advance:	[●]
Bank account information:	[●]

IN WITNESS WHEREOF the undersigned has executed this Drawdown Request on the date first above written.

iANTHUS CAPITAL MANAGEMENT, LLC

By: _____
Name:
Title:

Accepted and approved by the undersigned on this ___day of __, 2020.

[GOTHAM GREEN ADMIN 1, LLC, as Collateral Agent] or [Davies, Ward, Phillips and Vineberg LLP, as designated representative of the Lenders]

By: _____
Name:
Title:

Schedule G – Amended Secured Debenture Purchase Agreement

Schedule H – Interim Financing Budget

[*]

Exhibit 10.8

WARRANT CERTIFICATE

[UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE SEPTEMBER 1, 2019.]

[THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.]

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE AFTER 5:00 P.M. EASTERN TIME) ON MARCH 15, 2022 UNLESS HOLDER HAS EXERCISED ITS RIGHTS PRIOR THERETO.

iANTHUS CAPITAL HOLDINGS, INC.
(Incorporated under the laws of British Columbia)

iAnthus

Certificate Number: Warrants to Purchase Shares

COMMON SHARE PURCHASE WARRANTS

THIS IS TO CERTIFY THAT, for value received, , a existing under the laws of , or its lawful assignee (the "**Holder**") is entitled to subscribe for and purchase on or prior to 5:00 p.m. (Eastern time) March 15, 2022 (the "**Expiry Date**"), up to common shares (collectively the "**Shares**" and individually, a "**Share**") in the capital of iAnthus Capital Holdings Inc. (the "**Company**) at a price of $6.43 per Share. Notwithstanding the foregoing, the Company shall be entitled to accelerate the expiry of this Warrant (an "**Acceleration Event**") to the date that is 30 days following the date a notice is provided to the holder (the "**Notice**") announcing the accelerated Expiry Date in the event that the Shares trade at a price greater than $[10.29] / [10.30] for any ten consecutive trading days on the OTCQX and provided that the Shares trade on at least ten of those trading days on the OTCQX (or if the Company is not quoted on the OTCQX then, such other stock exchange on which the Shares are listed or quoted, as the case may be, and where a majority of the trading volume occurs). If an Acceleration Event occurs and the Company wishes to accelerate the Expiry Date on the foregoing terms, the Company must provide the Notice by issuing a news release not later than five business days from the date of an Acceleration Event. In the event of an acceleration of the Expiry Date in accordance with the foregoing, all references to Expiry Date shall be deemed modified accordingly.

This Warrant is subject to the provisions of the Terms and Conditions attached hereto as **SCHEDULE "A"** and forming part hereof.

The rights represented by this Warrant Certificate may be exercised by the Holder, in whole or in part (but not as to a fraction of a Share) by surrender of this Warrant Certificate (properly endorsed as required), together with a Warrant Exercise Form in the form attached hereto as **APPENDIX "B"**, duly completed and executed, to the Company at 420 Lexington Avenue, Suite 414, New York, New York 10170, United States (Attention: Chief Financial Officer), or such other address as the Company may from time to time in writing direct, together with a certified cheque or bank draft payable to or to the order of the Company in payment of the purchase price of the number of Shares subscribed for. The Holder is advised to read "Instruction to Holders" attached hereto as **APPENDIX "A"** for details on how to complete the Warrant Exercise Form (as such term is defined in **SCHEDULE "A"**).

[Signature Page Follows]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be executed by its duty authorized officer, this day of , 2019

SCHEDULE "A"

TERMS AND CONDITIONS
ATTACHED TO COMMON SHARE PURCHASE WARRANTS
ISSUED BY iANTHUS CAPITAL HOLDINGS, INC.
(the "Company")

Each Warrant of the Company, whether single or part of a series, is subject to these Terms and Conditions as they were at the date of issue of the Warrant.

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

Section 1.1 In these Terms and Conditions, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

(a) "**Affiliate**" has the meaning ascribed thereto in the Business Corporations Act (British Columbia);

(b) "**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Provinces and the respective rules and regulations under such laws together with the applicable published policy statements, blanket orders, instruments and notices of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated in the offering in which the Warrants were issued;

(c) "**Company**" means iAnthus Capital Holdings, Inc., a corporation incorporated under the Business Corporations Act (British Columbia) and includes any successor corporations;

(d) "**Company's auditor**" means the accountant duly appointed as auditor of the Company;

(e) "**Exercise Price**" means $6.43 per Share or as may be adjusted pursuant to Section 5;

(f) "**Expiry Date**" means March 15, 2022;

(g) "**Expiry Time**" means 5:00 p.m. (Eastern time) on the Expiry Date;

(h) "**Holder**" means the registered holder of a Warrant;

(i) "**Joint Actors**" has the meaning ascribed thereto in Section 7.1;

(j) "**person**" means an individual, corporation, partnership, trustee or any unincorporated organization, and words importing persons have a similar meaning;

(k) "**Qualifying Provinces**" means all provinces of Canada, other than the Province of Quebec;

(l) "**Securities Commissions**" means collectively, the applicable securities commission or securities regulatory authority in each of the Qualifying Provinces, the United States and any other jurisdiction in which securities were issued in the offering in which the Warrants were issued;

(m) "**Shares**" or "**shares**" means the common shares in the capital of the Company as constituted at the date of issue of a Warrant;

(n) "**Warrant**" means a warrant as evidenced by the certificate, one (1) Warrant entitles the Holder to purchase one (1) Common Shares (subject to adjustment) at the Exercise Price;

(o) "**Warrant Certificate**" means the certificate evidencing the Warrant; and

(p) "**Warrant Exercise Form**" means **APPENDIX "B"** hereof.

Interpretation

Section 1.2 In these Terms and Conditions, except as otherwise expressly provided herein:

(a) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Warrant Certificate as a whole and not to any particular Part, clause, subclause or other subdivision;

(b) a reference to a Part or a Section means a Part or a Section, as applicable, of these Terms and Conditions;

(c) the headings are for convenience only, do not form a part of these Terms and Conditions and are not intended to interpret, define or limit the scope, extent or intent of these Terms and Conditions or any of its provisions;

(d) all dollar amounts referred to herein are expressed in United States dollars funds;

(e) time will be of the essence hereof; and

(f) words importing the singular number include the plural and vice versa, and words importing the masculine gender include feminine and neuter genders.

Applicable Law

Section 1.3 The Warrants will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto and will be treated in all respects as legal contracts under the laws of the Province of British Columbia.

PART 2
ISSUE OF WARRANTS

Additional Warrants

Section 2.1 The Company may at any time and from time to time issue Warrants or grant options or similar rights to purchase shares of in its capital.

Issue in Substitution for Lost Warrants

Section 2.2 In case a Warrant Certificate will become mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, and in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the Warrants represented by such substituted Warrant Certificate will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants of the same issue. The Company may charge a reasonable fee for the issuance and delivery of a new Warrant Certificate.

Section 2.3 The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and in the case of loss, destruction or theft furnish to the Company such evidence of ownership, and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its discretion; and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion and will pay the reasonable charges of the Company in connection therewith.

Holder not a Shareholder

Section 2.4 The holding of a Warrant will not constitute the Holder a shareholder of the Company, nor entitle the Holder to any right or interest in respect thereof, except as expressly provided in the Warrant Certificate.

Securities Law Exemption

Section 2.5 The Holder acknowledges and agrees that the Warrants and any Shares issued pursuant to the exercise of any Warrants have been or will be issued only on a "private placement" basis and that the Company has no obligation to, and does not intend to, file any prospectus or registration statement in any jurisdiction in order to qualify any of such Warrants and/or Shares for resale.

Assignment

Section 2.6 The Warrants are not assignable. Notwithstanding the foregoing, subject to prior written consent of the Company, which consent may not be unreasonably withheld, the Holder may assign the Warrants to an Affiliate of the Holder.

PART 3
OWNERSHIP

Exchange of Warrants

Section 3.1 A Warrant Certificate in any authorized denomination, upon compliance with the reasonable requirements of the Company, may be exchanged for a Warrant Certificate(s) in any other authorized denomination of the same issue entitling the Holder to purchase an equal aggregate number of Shares at the same Exercise Price and on the same terms as the Warrant Certificate so exchanged.

Section 3.2 Warrant Certificates may be exchanged only with the Company. Any Warrant Certificates tendered for exchange will be surrendered to the Company and cancelled.

Charges for Exchange

Section 3.3 On exchange of Warrant Certificates, the Company, except as otherwise herein provided, may charge a reasonable fee for each new Warrant Certificate issued, and payment of any transfer taxes or governmental or other charges required to be paid will be made by the party requesting such exchange.

Ownership of Warrants

Section 3.4 The Company may deem and treat the Holder of a Warrant as the absolute owner of such Warrant for all purposes and will not be affected by any notice or knowledge to the contrary.

Notice to Holder

Section 3.5 Unless herein otherwise expressly provided, any notice to be given hereunder to a Holder will be deemed to be validly given, if mailed to the address of the Holder as set out on the Warrant Certificate. Any notice so given will be deemed to have been received five days from the date of mailing to the Holder or any market intermediary then holding the Warrants of the Holder in any trust account.

PART 4
EXERCISE OF WARRANTS

Method of Exercise of Warrants

Section 4.1 The right to purchase Shares conferred by a Warrant may be exercised by the Holder surrendering the Warrant Certificate and delivering to the Company payment for such Warrants along with a duly completed and executed Warrant Exercise Form at the address as set out on the Warrant Certificate, for the purchase price applicable at the time of surrender in respect of the Shares subscribed for in lawful money of the United States to the Company at the address as set out on the Warrant Exercise Form.

Effect of Exercise of Warrants

Section 4.2 Upon surrender and payment as aforesaid, the Shares so subscribed for will be deemed to have been issued, and the Holder will be deemed to have become the holder of such Shares on the date of such surrender and payment, and such Shares will be issued at the Exercise Price as may be adjusted in the events and in the manner described herein.

Section 4.3 Within two business days after surrender and payment as aforesaid, the Company will forthwith cause to be delivered to the person in whose name the Shares are directed to be registered as specified in such Warrant Exercise Form, or if no such direction is given, the Holder, a certificate for the appropriate number of Shares not exceeding those which the Holder is entitled to purchase pursuant to the Warrant Certificate surrendered.

Subscription for Less than Entitlement

Section 4.4 A Holder may purchase a number of Shares less than the number which the Holder is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Shares less than the number which can be purchased pursuant to a Warrant Certificate, the Holder, upon exercise thereof, will, in addition to certificates representing Shares issued on such exercise, and be entitled to receive a new Warrant Certificate in respect of the balance of the Shares which the Holder was entitled to purchase pursuant to the surrendered Warrant Certificate but which were not then purchased.

Warrants for Fractions of Shares

Section 4.5 To the extent that a Holder is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate will entitle the Holder to receive a whole number of Shares.

Expiration of Warrants

Section 4.6 After the Expiry Date, all rights under the Warrants will wholly cease and terminate, and the Warrants will thereupon be void and of no effect.

Exercise Price

Section 4.7 The price per Share which must be paid to exercise a Warrant is the Exercise Price, as may be adjusted in the events and in the manner described herein.

PART 5
ADJUSTMENTS AND ACCELERATION

Section 5.1 Adjustments

(1) Definitions: For the purposes of this Part 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection:

(a) "**Adjustment Period**" means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;

(b) "**Current Market Price**" means the price per share equal to the weighted average price at which the Shares have traded on the Canadian Securities Exchange or a senior stock exchange or, if the Shares are not then listed on such an exchange, in the over-the-counter market, during the period of any twenty (20) consecutive trading days ending not more than five (5) business days before such date;

(c) "**director**" means a director of the Company at the relevant time and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Company as a board or, whenever empowered, action by any committee of the directors of the Company; and

(d) "**trading day**" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2) Adjustments: The Exercise Price and the number of Shares issuable to the Holder pursuant to this Warrant shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If at any time during the Adjustment Period the Company shall:

(i) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares;

(iii) subdivide the outstanding Shares into a greater number of Shares; or

(iv) consolidate the outstanding Shares into a lesser number of Shares;

(any of such events in subclauses 5.1(2)(a)(i), 5.1(2)(a)(ii), 5.1(2)(a)(iii) and 5.1(2)(a)(iv) above being herein called a **Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Share Reorganization and the effective date of the Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Share Reorganization; and

(B) the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Share Reorganization (including in the case of a distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares that would be outstanding had such securities all been exchanged or exercised for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(a) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Share actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Subsection 5.1(2)(a) the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization, if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Share of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Share or securities exchangeable for or convertible into Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing:

either: (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered; or (b) the product of the exchange, exercise or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be; by

the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares into which such securities may be exchanged, exercised or converted).

Any Share owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(b) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this Subsection 5.1(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the Share of:

(i) shares of the Company of any class other than Shares;

(ii) rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares (other than rights, options or warrants pursuant to which holders of Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares at a price per share (or in the case of securities exchangeable or exercisable for or convertible into Shares at an exchange, exercise or conversion price per share on the record date for the issue of such securities) of at least 95% of the Current Market Price of the Shares on such record date);

(iii) evidences of indebtedness of the Company; or

(iv) any property or assets of the Company;

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date, and

the fair value, as determined by the directors of the Company, to the holders of Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(c) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares referred to in this Subsection 5.1(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there shall occur:

(i) a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Share Reorganization;

(ii) a consolidation, amalgamation or merger of the Company with or into any other body corporate which results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or

(iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization, the Holder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of this Warrant, in lieu of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of Subsections 5.1(2)(a), 5.1(2)(b), or 5.1(2)(c) hereof, then the number of Shares purchasable upon the subsequent exercise of this Warrant shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to Subsection 5.1(2) of this Warrant.

(a) Subject to the following provisions of this Subsection 5.1(3), any adjustment made pursuant to Subsection 5.1(2) hereof shall be made successively whenever an event referred to therein shall occur.

(b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent in the then Exercise Price; provided, however, that any adjustments which except for the provision of this Subsection 5.1(3)(b) would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of Subsection 5.1(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of this Warrant (except in respect of the Share Reorganization described in Subsection 5.1(2)(a)(iv) hereof or a Capital Reorganization described in Subsection 5.1(2)(d)(ii) hereof).

(c) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of this Warrant shall be made in respect of any event described in Section 5.1 hereof if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Warrant prior to or on the record date or effective date, as the case may be, of such event.

(d) No adjustment in the Exercise Price or in the number of Shares purchasable upon the exercise of this Warrant shall be made pursuant to Subsection 5.1(2) hereof in respect of the issue from time to time of Shares and Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Company and/or any subsidiary of the Company and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Share Reorganization, a Rights Offering nor any other event described in Subsection 5.1(2) hereof.

(e) If at any time during the Adjustment Period the Company shall take any action affecting the Shares, other than an action described in Subsection 5.1(2) hereof, which in the opinion of the directors, acting reasonably and in good faith, would have a material adverse effect upon the rights of the Holder, either or both the Exercise Price and the number of Shares purchasable upon exercise of this Warrant shall be adjusted in such manner and at such time by action by the directors, in their sole discretion acting reasonably, as may be equitable in the circumstances; provided, however, that any such adjustment shall be subject to the approval of the applicable recognized stock exchange (if the Shares are then listed on such stock exchange) and any other required regulatory approvals.

(f) If the Company shall set a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of this Warrant shall be required by reason of the setting of such record date.

(g) In any case in which this Warrant shall require that an adjustment shall become effective immediately after a record date for an event referred to in Subsection 5.1(2) hereof, the Company may defer, until the occurrence of such event:

(i) issuing to the Holder, to the extent that this Warrant is exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and the number of Shares purchasable upon the exercise of this Warrant and to such distribution declared with respect to any such additional Shares issuable on this exercise of this Warrant.

(h) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(i) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Shares purchasable upon the exercise of this Warrant, such disputes shall be conclusively determined by a firm of independent chartered accountants other than the auditors of the Company and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to Subsection 5.1(2) hereof and shall be binding upon the Company and the Holder.

(j) As a condition precedent to the taking of any action which would require an adjustment pursuant to Subsection 5.1(2) hereof, including the Exercise Price and the number or class of Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable shares all of the Shares or other securities which the Holder is entitled to receive in accordance with the provisions of this Warrant Certificate.

(4) Notice: At least seven (7) days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, including the Exercise Price and the number of Shares which are purchasable under this Warrant, the Company shall deliver to the Holder a certificate of the Company specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Subsection 5.1(4) has been given is not then determinable, the Company shall promptly after such adjustment is determinable deliver to the Holder a certificate providing the calculation of such adjustment. The Company hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Company will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such seven (7) day period.

Determination of Adjustments

Section 5.2 If any question will at any time arise with respect to any adjustments to be made under Part 5, such question will be conclusively determined by the Company's auditor, or, if the Company's auditor declines to so act, any other chartered accountant that the Company may designate (acting reasonably) and who will have access to all appropriate records, and such determination will be binding upon the Company and the Holder.

Hold Period

Section 5.3 The Shares received by the Holder upon the exercise of the Warrants may be subject to a hold period as determined by the policies of the Canadian Securities Exchange and/or other applicable securities laws of stock exchange polices the Company is then listed on.

PART 6
COVENANTS BY THE COMPANY

Reservation of Shares

Section 6.1 The Company will reserve, and there will remain unissued out of its authorized capital, a sufficient number of shares to satisfy the rights of purchase provided for in all Warrants from time to time outstanding.

Section 6.2 The Company shall use reasonable commercial efforts to maintain the listing of the Shares on the Canadian Securities Exchange and to maintain the Company's status as a "reporting issuer" not in default of Canadian Securities Laws.

PART 7
RESTRICTION ON EXERCISE

Blocking Language

Section 7.1 Notwithstanding anything contained herein to the contrary, the rights represented by this Warrant Certificate will not be exercisable by the Holder, in whole or in part, and the Company will not give effect to any such exercise, if, after giving effect to such exercise, the Holder, together with any person or company acting jointly or in concert with the Holder (the "**Joint Actors**") would in the aggregate beneficially own, or exercise control or direction over that number of voting securities of the Company which is twenty percent (20%) or greater of the total issued and outstanding voting securities of the Company, immediately after giving effect to such exercise. For greater certainty, the rights represented by this Warrant Certificate will not be exercisable by the Holder, in whole or in part, and the Company will not give effect to any such exercise, if, after giving effect to such exercise, the Holder, together with its Joint Actors, would be deemed to hold a number of voting securities sufficient to materially affect the control of the Company. The Company hereby acknowledges and agrees that the members of the Holder, in the event that the Warrants held by the Holder are distributed to such persons, will not constitute Joint Actors on the basis that they are or were each members of the Holder.

Section 7.2 Any certificates representing Shares issued upon exercise of the Warrants prior to the date that is four months and one day after the date of issue of the Warrants, and any Shares issued in exchange for such Shares, will bear the following legends:

> **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE , 2019."**

provided that at any time subsequent to the date which is four months and one day after the date hereof, any certificate representing any such Shares may be exchanged for a certificate bearing no such legends.

Section 7.3 This Warrant and the Shares to be issued upon its exercise have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This Warrant may not be exercised in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Shares are registered under the U.S. Securities Act and the applicable laws of any such state or (ii) an exemption from such registration requirements is available and, in either case, the Holder has complied with the requirements set forth in the Warrant Exercise Form attached hereto as **APPENDIX "B"**. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

Section 7.4 Any Shares issued upon exercise of this Warrant in the United States, or to or for the account or benefit of a U.S. person or a person in the United States, will be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act. The certificates representing such Shares, as well as all certificates issued in exchange or in substitution therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act, or applicable state securities laws, will bear, on the face of such certificate, the following legends:

> **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.**
>
> **THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."**

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act ("**Regulation S**") and such Shares were acquired at a time when the Company is a "foreign issuer" as defined in Regulation S, the legends set forth above in this Section 7.4 may be removed by providing a declaration to the registrar and transfer agent of the Company, as set forth in Appendix "D" attached hereto (or in such other form as the Company may prescribe from time to time); and provided, further, that, if the Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legends may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance satisfactory to the Company that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Section 7.5 Notwithstanding any provision to the contrary contained herein, no Shares will be issued pursuant to the exercise of any Warrant if the issuance of such securities would constitute a violation of the securities laws of any applicable jurisdiction, and the certificates evidencing the Shares thereby issued may bear such legend as may, in the opinion of legal counsel to the Company, be necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the Shares of the Company are listed, provided that, at any time, in the opinion of legal counsel to the Company, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at that holder's expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of legal counsel satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

PART 8
MODIFICATION OF TERMS, SUCCESSORS

Modification of Terms and Conditions for Certain Purposes

Section 8.1 From time to time the Company may, subject to the provisions of the Warrant Certificate, when so directed by the Holder, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel for the Company, are necessary or advisable in the circumstances;

(b) making such provisions not inconsistent herewith as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of Warrants on any stock exchange or house;

(c) adding to or altering the provisions hereof in respect of the registration of Warrants making provision for the exchange of Warrant Certificates of different denominations; and making any modification in the form of Warrant Certificates which does not affect the substance thereof;

(d) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(e) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in the Warrants contained as provided hereafter in this Part 8.

The Company may Amalgamate on Certain Terms

Section 8.2 Nothing herein contained will prevent any amalgamation or merger of the Company with or into any other company, or the sale of the property or assets of the Company to any company lawfully entitled to acquire the same; provided however that the company formed by such merger or amalgamation or which acquires by conveyance or transfer all or substantially all the properties and assets of the Company will be a company organized and existing under the laws of Canada or of the United States of America or any Province, State, District or Territory thereof, which will, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company and will succeed to and be substituted for the Company, and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate as may be appropriate in view of such amalgamation, merger or transfer.

Additional Financings

Section 8.3 Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

[End of Schedule "**A**"]

APPENDIX "A"

INSTRUCTIONS TO HOLDERS

TO EXERCISE:

To exercise Warrants, the Holder must complete, sign and deliver the Warrant Exercise Form, attached as Appendix "B" and deliver the Warrant Certificate(s) to the Company, indicating the number shares to be acquired. The Warrants are not transferable other than to Affiliates of the Holder.

TO TRANSFER:

To transfer Warrants, the Holder must complete, sign and deliver the Warrant Transfer Form, attached as Appendix "**C**" and deliver the Warrant Certificate(s) to the Company. The Company may require such other certificates or opinions to evidence compliance with applicable securities legislation in Canada.

To transfer Warrants, the Warrant Holder's signature on the Warrant Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

GENERAL:

If forwarding any documents by mail, registered mail must be employed.

If the Warrant Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Company.

The address of the Company is:

iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

[End of Appendix "**A**"]

APPENDIX "B"

WARRANT EXERCISE FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

The undersigned Holder of the within Warrants hereby subscribes for _____common shares (the "**Shares**") of iAnthus Capital Holdings, Inc. (the "**Company**") pursuant to the within Warrants on the terms and price specified in the Warrants. This subscription is accompanied by a certified cheque or bank draft payable to or to the order of the Company or by wire transfer at instructions provided by the Company, for the whole amount of the purchase price of the Shares.

The undersigned hereby directs that the Shares be registered as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES

As at the time of exercise hereunder, the undersigned Holder represents, warrants and certifies as follows (check one):

☐ (A) the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and is not exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (as defined in Regulation S), and did not execute or deliver this exercise form in the United States; OR

☐ (B) the undersigned holder is resident in the United States, is a U.S. person, or is exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (a "**U.S. Holder**"), and is an "accredited investor", as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (a "**U.S. Accredited Investor**"), and has completed the U.S. Accredited Investor Status Certificate in the form attached to this exercise form; OR

☐ (C) if the undersigned holder is a U.S. Holder, the undersigned holder has delivered to the Company and the Company's transfer agent an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the Shares to be delivered upon exercise of the Warrant, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

Note: Certificates representing common shares will not be registered or delivered to an address in the United States unless box (B) or (C) immediately above is checked.

If the undersigned Holder has indicated that the undersigned Holder is a U.S. Accredited Investor by marking box (B) above, the undersigned Holder additionally represents and warrants to the Company that:

(2) the undersigned Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;

(3) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each a "**Beneficial Owner**"), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor; and

(4) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising (as such terms are used in Rule 502 of Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, television, the Internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking box (B) above, the undersigned also acknowledges and agrees that:

(5) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as the undersigned has considered necessary or appropriate in connection with the undersigned's investment decision to acquire the Shares;

(6) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(a) the sale is to the Company;

(b) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(c) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(d) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company;

(7) the Shares are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom;

(8) the Company has no obligation to register any of the Shares or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(9) the certificates representing the Shares (and any certificates issued in exchange or substitution for the Shares) will bear a legend stating that such securities have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered for sale or sold unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or unless an exemption from such registration requirements is available;

(10) delivery of certificates bearing such a legend may not constitute "good delivery" in settlement of transactions on Canadian stock exchanges or over-the-counter markets, but a new certificate without such a legend will be made available to the undersigned upon provision by the undersigned of a declaration to the registrar and transfer agent (the "**Transfer Agent**") of the Company's common shares in the form attached as Appendix "**D**" to the Warrant Certificate (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the Transfer Agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the Transfer Agent, to the effect that such sale is being made in compliance with Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply; and provided, further, that, if any Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legend may be removed by delivery to the Transfer Agent and the Company of an opinion of counsel of recognized standing in form and substance satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(11) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(12) there may be material tax consequences to the undersigned of an acquisition or disposition of the Shares;

(13) the Company gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of any Shares; in particular, no determination has been made whether the Company will be a "passive foreign investment company" (commonly known as a "**PFIC**") within the meaning of Section 1297 of the United States Internal Revenue Code;

(14) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Warrants will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

(15) the Company is not obligated to remain a "foreign issuer"; and

(16) the undersigned consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Warrant Exercise Form.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED this _____ day of _____, 20_____.

In the presence of:

Signature of Witness	Signature of Holder
Witness's Name	Name and Title of Authorized Signatory for the Holder

INSTRUCTIONS FOR SUBSCRIPTION

The signature to the subscription must correspond in every particular with the name written upon the face of the Warrant Certificate without alteration. If the registration in respect of the certificates representing the Shares to be issued upon exercise of the Warrants differs from the registration of the Warrant Certificates the signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank, or of a major Canadian trust company, or by a medallion signature guarantee from a member recognized under the Signature Medallion Guarantee Program, or from a similar entity in the United States, if this transfer is executed in the United States, or in accordance with industry standards.

In the case of persons signing by agent or attorney or by personal representative(s), the authority of such agent, attorney or representative(s) to sign must be proven to the satisfaction of the Company.

If the Warrant Certificate and the form of subscription are being forwarded by mail, registered mail must be employed.

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of certain outstanding warrants of iANTHUS CAPITAL HOLDINGS, INC. (the "**Company**") by the holder, the holder hereby represents and warrants to the Company that the holder, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the holder is exercising such warrants, satisfies one or more of the following categories of Accredited Investor **(please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies):**

_____(1) Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Corporation Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Corporation licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act);

_____(2) Any private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940;

_____(3) Any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US$5,000,000;

_____(4) Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

_____(5) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US$1,000,000 (for the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

_____(6) A natural person who had annual gross income during each of the last two full calendar years in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) and reasonably expects to have annual gross income in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US$200,000 (or that together with his or her spouse will not remain in excess of US$300,000) for the foreseeable future;

_____(7) Any director or executive officer of the Company; or

_____(8) Any entity in which all of the equity owners meet the requirements of at least one of the above categories – if this alternative is selected you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.

[End of Appendix "**B**"]

APPENDIX "C"

WARRANT TRANSFER FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

The Warrants are not assignable. Notwithstanding the foregoing, subject to prior written consent of the Company, which consent may not be unreasonably withheld, the holder of the warrants may assign the Warrants to an Affiliate (as such term is defined in the Warrant certificate governing the Warrants) of the Holder.

FOR VALUE RECEIVED, the undersigned holder (the "**Transferor**") of the within Warrants hereby sells, assigns and transfers to _____, an Affiliate of the holder (the "**Transferee**"), _____ Warrants of iAnthus Capital Holdings, Inc. (the "**Company**") registered in the name of the undersigned on the records of the Company and irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned hereby directs that the Warrants hereby transferred be issued and delivered as follows:

NAME IN FULL	ADDRESS	NUMBER OF WARRANTS

The Transferor hereby certifies that (check either A or B):

_____ (A) the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), in which case the Transferor has delivered or caused to be delivered by the Transferee a written opinion of U.S. legal counsel of recognized standing in form and substance reasonably satisfactory to the Company to the effect that the transfer of the Warrants is exempt from the registration requirements of the U.S. Securities Act; or

_____ (B) the transfer of the Warrants is being made in reliance on Rule 904 of Regulation S under the U.S. Securities Act, and certifies that:

(1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor";

(2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) neither the seller nor any affiliate of the seller nor any person acting on their behalf engaged in any directed selling efforts in connection with the offer and sale of the Warrants;

(4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Warrants are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act);

(5) the Transferor does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities; and

(6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____ day of _____, 20_____.

Signature of Warrant Holder	Signature Guaranteed

INSTRUCTIONS FOR TRANSFER

Signature of the Warrant Holder must be the signature of the person appearing on the face of this Warrant Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.

The signature on the Transfer Form must be guaranteed by a chartered bank or trust company, or a member firm of an approved signature guarantee medallion program. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The Warrants will only be transferable in accordance with applicable laws. The Warrants and the common shares issuable upon exercise thereof have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be transferred to or for the account or benefit of a U.S. person or any person in the United States without registration under the U.S. Securities Act and applicable state securities laws, or compliance with the requirements of an exemption from registration. "**United States**" and "**U.S. person**" are as defined in Regulation S under the U.S. Securities Act.

[End of Appendix "**C**"]

APPENDIX "D"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Registrar and transfer agent for the shares of iAnthus Capital Holdings, Inc. (the "**Issuer**")

The undersigned (A) acknowledges that the sale of the _____ common shares in the capital of the Issuer represented by certificate number _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer (except solely by virtue of being an officer or director of the Issuer) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

_____
Signature of Individual (if Seller **is** an individual)

_____
Authorized signatory (if Seller is **not** an individual)

_____
Name of Seller (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory (**print print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____(the "**Seller**") contained in the foregoing Declaration for Removal of Legend, dated _____, 20____, with regard to the sale, for such Seller's account, of_____common shares (the "**Securities**") of the Issuer represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(17) (no offer to sell Securities was made to a person in the United States;

(18) the sale of the Securities was executed in, on or through the facilities of the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(19) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(20) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Issuer shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

Per: _____
Authorized Signatory

[End of Appendix "**D**"]

Exhibit 10.9

WARRANT CERTIFICATE

[UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY 31, 2020.]

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE AFTER 5:00 P.M. (TORONTO TIME) ON MAY 14, 2021, SUBJECT TO THE TERMS AND CONDITIONS HEREIN, UNLESS HOLDER HAS EXERCISED ITS RIGHTS PRIOR THERETO.

iANTHUS CAPITAL HOLDINGS, INC.
(Incorporated under the laws of British Columbia)

Certificate Number: Warrants to Purchase Shares

COMMON SHARE PURCHASE WARRANTS

THIS IS TO CERTIFY THAT, for value received, , a established under the laws of , or its lawful assignee (the "**Holder**") is entitled to subscribe for and purchase up to fully paid and non-assessable common shares without par value (collectively the "**Shares**" and individually, a "**Share**") in the capital of the iAnthus Capital Holdings Inc. (the "**Company**"), at a price of US$ per Share at any time on or before 5:00 p.m. Toronto time on , 20 (the "**Expiry Date**"), subject to the right of the Company, in its sole discretion, to extend the Expiry Date for an additional 12 months as provided for herein. This Warrant is subject to the provisions of the Terms and Conditions attached hereto as **SCHEDULE "A"** and forming part hereof.

The rights represented by this Warrant Certificate may be exercised by the Holder, in whole or in part (but not as to a fraction of a Share) by surrender of this Warrant Certificate (properly endorsed as required), together with a Warrant Exercise Form in the form attached hereto as **APPENDIX "B"**, duly completed and executed, to the Company at 420 Lexington Avenue, Suite 414, New York, New York 10170, United States (Attention: Chief Financial Officer), or such other address as the Company may from time to time in writing direct, together with a certified cheque or bank draft payable to or to the order of the Company in payment of the purchase price of the number of Shares subscribed for. The

Holder is advised to read "Instruction to Holders" attached hereto as **APPENDIX "A"** for details on how to complete the Warrant Exercise Form (as such term is defined in **SCHEDULE "A"**).

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be executed by its duly authorized officer, this day of , 20 .

iANTHUS CAPITAL HOLDINGS, INC.

Per: Authorized Signatory

SCHEDULE "A"

TERMS AND CONDITIONS
ATTACHED TO COMMON SHARE PURCHASE WARRANTS
ISSUED BY iANTHUS CAPITAL HOLDINGS, INC.
(the "**Company**")

Each Warrant of the Company, whether single or part of a series, is subject to these Terms and Conditions as they were at the date of issue of the Warrant.

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

Section 1.1 In these Terms and Conditions, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

(a) "**Company**" means iAnthus Capital Holdings, Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) and includes any successor corporations;

(b) "**Company's auditor**" means the accountant duly appointed as auditor of the Company;

(c) "**Debenture Purchase Agreement**" means the Secured Debenture Purchase Agreement among the Lender and the Company, pursuant to which the Lender has purchased the Senior Secured Debentures;

["**Debenture Purchase Agreement**" means the secured debenture purchase agreement dated May 14, 2018 among Gotham Green Fund 1, L.P. Gotham Green Credit Partners SVP 1, L.P. and the other Lenders named therein, the Company, and the Company's subsidiary iAnthus Capital Management, LLC, as amended by that certain Amendment dated March 4, 2019 and that certain Second Amendment to Secured Debenture Purchase Agreement and Debentures dated as of the date hereof (as further amended, restated, supplemented or otherwise modified from time to time), pursuant to which the Lender has purchased the Senior Secured Debentures;]

(d) "**Exercise Price**" means US$ per Share or as may be adjusted pursuant to Section 5;

(e) "**Expiry Date**" means , 20 ;

(f) "**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;

(g) "**Holder**" means the registered holder of a Warrant;

(h) "**Lender**" shall have the meaning ascribed thereto in the Debenture Purchase Agreement;

(i) "**person**" means an individual, corporation, partnership, trustee or any unincorporated organization, and words importing persons have a similar meaning;

(j) "**Senior Secured Debentures**" means 13% senior secured debentures of the Company issued to the Lender in the aggregate principal amount of $40,000,000, such debentures maturing thirty-six months from the Closing Date, subject to a twelve month extension by the Company in accordance with the terms of the debenture certificates and the Debenture Purchase Agreement;

["**Senior Secured Debentures**" means the 13% senior secured debentures, dated September 30, 2019, of the Company's wholly owned subsidiary iAnthus Capital Management, LLC issued to the Lender in the aggregate principal amount of US$20,000,000 in accordance with the terms of the Debenture Purchase Agreement]

(k) "**Shares**" or "**shares**" means the common shares or Class A convertible restricted voting shares, as the case may be, in the capital of the Company as constituted at the date of issue of a Warrant and any shares resulting from any event referred to in Part 5;

(l) "**Warrant**" means a warrant as evidenced by the certificate, one (1) Warrant entitles the Holder to purchase one (1) common share of the Company (subject to adjustment as provided in this Warrant Certificate) at any time on or prior to May 14, 2021 at the Exercise Price set forth on the Warrant Certificate;

(m) "**Warrant Certificate**" means this certificate evidencing the Warrant; and

(n) "**Warrant Exercise Form**" means **APPENDIX "B"** hereof.

Interpretation

Section 1.2 In these Terms and Conditions, except as otherwise expressly provided herein:

(a) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Warrant Certificate as a whole and not to any particular Part, clause, subclause or other subdivision;

(b) a reference to a Part or a Section means a Part or a Section, as applicable, of these Terms and Conditions;

(c) the headings are for convenience only, do not form a part of these Terms and Conditions and are not intended to interpret, define or limit the scope, extent or intent of these Terms and Conditions or any of its provisions;

(d) all dollar amounts referred to herein are expressed in United States dollars funds;

(e) time will be of the essence hereof; and

(f) words importing the singular number include the plural and vice versa, and words importing the masculine gender include feminine and neuter genders.

Applicable Law

Section 1.3 The Warrants will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto and will be treated in all respects as legal contracts under the laws of the Province of British Columbia.

PART 2
ISSUE OF WARRANTS

Additional Warrants

Section 2.1 The Company may at any time and from time to time issue Warrants or grant options or similar rights to purchase shares of the Company.

Issue in Substitution for Lost Warrants

Section 2.2 In case a Warrant Certificate will become mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, and in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the Warrants represented by such substituted Warrant Certificate will be entitled to the benefit hereto and rank equally in accordance with its terms with all other Warrants of the same issue. The Company may charge a reasonable fee for the issuance and delivery of a new Warrant Certificate.

Section 2.3 The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and in the case of loss, destruction or theft furnish to the Company such evidence of ownership, and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its reasonable discretion; and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion and will pay the reasonable charges of the Company in connection therewith.

Holder not a Shareholder

Section 2.4 The holding of a Warrant alone will not constitute the Holder a shareholder of the Company with respect to the Shares issuable upon exercise of such Warrant, nor entitle the Holder to any right or interest in respect thereof, except as expressly provided in this Warrant Certificate.

Securities Law Exemption

Section 2.5 The Holder acknowledges and agrees that the Warrants and any Shares issued pursuant to the exercise of any Warrants have been or will be issued only on a "private placement" basis and that the Company has no obligation to, and does not intend to, file any prospectus or registration statement in any jurisdiction in order to qualify any of such Warrants and/or Shares for resale to the public.

PART 3
OWNERSHIP

Exchange of Warrants

Section 3.1 A Warrant Certificate in any authorized denomination, upon compliance with the reasonable requirements of the Company, may be exchanged for a Warrant Certificate(s) in any other authorized denomination of the same issue entitling the Holder to purchase an equal aggregate number of Shares at the same Exercise Price and on the same terms as the Warrant Certificate so exchanged.

Section 3.2 Warrants may be exchanged only with the Company. Any Warrants tendered for exchange will be surrendered to the Company and cancelled.

Section 3.3 The Warrants are transferable by the Holder completing and submitting to the Company a completed and duly executed Warrant Transfer Form.

Charges for Exchange

Section 3.4 On exchange of Warrants, except as otherwise herein provided, payment of any transfer taxes or governmental or other charges which are obligations of the party requesting such exchange will be made by such party.

Ownership of Warrants

Section 3.5 The Company may deem and treat the Holder of a Warrant as the absolute owner of such Warrant for all purposes and will not be affected by any notice or knowledge to the contrary.

Notice to Holder

Section 3.6 Unless herein otherwise expressly provided, any notice to be given hereunder to a Holder will be deemed to be validly given, if mailed to the address of the Holder as set out on the Warrant Certificate or the applicable Warrant Transfer Form. Any notice so given will be deemed to have been received five days from the date of mailing to the Holder or any market intermediary then holding the Warrants of the Holder in any trust account.

PART 4
EXERCISE OF WARRANTS

Method of Exercise of Warrants

Section 4.1 The right to purchase Shares conferred by a Warrant may be exercised by the Holder surrendering the Warrant Certificate, together with a duly completed and executed Warrant Exercise Form and a certified cheque, bank draft, or wire transfer payable to, or to the order of the Company at the address as set out on the Warrant Certificate, for the purchase price applicable at the time of surrender in respect of the shares subscribed for in lawful money of the United States and to the Company at the address as set out on the Warrant Exercise Form.

Effect of Exercise of Warrants

Section 4.2 Upon surrender and payment as aforesaid, the shares so subscribed for will be deemed to have been issued, and the Holder will be deemed to have become the holder of such shares on the date of such surrender and payment, and such shares will be issued at the Exercise Price as may be adjusted in the events and in the manner described herein.

Section 4.3 Within two business days after surrender and payment as aforesaid, the Company will forthwith cause to be delivered to the person in whose name the shares are directed to be registered as specified in such Warrant Exercise Form, or if no such direction is given, the Holder, a certificate for the appropriate number of shares not exceeding those which the Holder is entitled to purchase pursuant to the Warrant Certificate surrendered.

Subscription for Less than Entitlement

Section 4.4 A Holder may purchase a number of Shares less than the number which the Holder is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of shares less than the number which can be purchased pursuant to a Warrant Certificate, the Holder, upon exercise thereof, will, in addition to certificates representing shares issued on such exercise, and be entitled to receive a new Warrant Certificate in respect of the balance of the shares which the Holder was entitled to purchase pursuant to the surrendered Warrant Certificate but which were not then purchased.

Warrants for Fractions of Shares

Section 4.5 To the extent that a Holder is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate will entitle the Holder to receive a whole number of Shares.

Expiration of Warrants

Section 4.6 After the Expiry Date, all rights under the Warrants will wholly cease and terminate, and the Warrants will thereupon be void and of no effect.

Section 4.7 In the event that the Company exercises its right under the Debenture Purchase Agreement to extend the maturity date of the Senior Secured Debenture by twelve (12) months, such that the Senior Secured Debenture matures on May 14, 2022, the Expiry Date shall automatically be extended for an additional twelve (12) months, such that the rights under this Warrant shall be exercisable until 5:00 p.m. Toronto time on May 14, 2022.

Exercise Price

Section 4.8 The price per Share which must be paid to exercise a Warrant is the Exercise Price, as may be adjusted in the events and in the manner described herein.

Class of Securities

Section 4.9 Notwithstanding anything contained in this Schedule "A" or the Warrant Certificate to which this Schedule "A" is attached, [if the Warrants, or any of them, are exercised on or prior to June 29, 2018, then the Shares issued upon exercise of the Warrants will be Class A convertible restricted voting shares in the capital of the Company. If the Warrants, or any of them, are exercised after June 29, 2018, then] the Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

PART 5
ADJUSTMENTS AND ACCELERATION

Section 5.1 Adjustments

(1) Definitions: For the purposes of this Part 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection:

(a) "**Adjustment Period**" means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;

(b) "**Current Market Price**" means the price per share equal to the weighted average price at which the Shares have traded on the Canadian Securities Exchange or a senior stock exchange or, if the Shares are not then listed on such an exchange, in the over-the-counter market, during the period of any twenty (20) consecutive trading days ending not more than five (5) business days before such date;

(c) "**director**" means a director of the Company at the relevant time and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Company as a board or, whenever empowered, action by any committee of the directors of the Company; and

(d) "**trading day**" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2) Adjustments: The Exercise Price and the number of Shares issuable to the Holder pursuant to this Warrant shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If at any time during the Adjustment Period the Company shall:

(i) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares;

(iii) subdivide the outstanding Shares into a greater number of Shares; or

(iv) consolidate the outstanding Shares into a lesser number of Shares;

(any of such events in subclauses 5.1(2)(a)(i), 5.1(2)(a)(ii), 5.1(2)(a)(iii) and 5.1(2)(a)(iv) above being herein called a **Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Share Reorganization and the effective date of the Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Share Reorganization; and

(B) the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Share Reorganization (including in the case of a distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares that would be outstanding had such securities all been exchanged or exercised for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(a) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Share actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Subsection 5.1(2)(a) the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization, if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Share or securities exchangeable for or convertible into Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing:

either: (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered; or (b) the product of the exchange, exercise or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be; by

the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares into which such securities may be exchanged, exercised or converted).

Any Share owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(b) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this Subsection 5.1(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the Share of:

(i) shares of the Company of any class other than Shares;

(ii) rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares (other than rights, options or warrants pursuant to which holders of Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares at a price per share (or in the case of securities exchangeable or exercisable for or convertible into Shares at an exchange, exercise or conversion price per share on the record date for the issue of such securities) of at least 95% of the Current Market Price of the Shares on such record date);

(iii) evidences of indebtedness of the Company; or

(iv) any property or assets of the Company;

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date, and

the fair value, as determined by the directors of the Company, to the holders of Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(c) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares referred to in this Subsection 5.1(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there shall occur:

(i) a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Share Reorganization;

(ii) a consolidation, amalgamation or merger of the Company with or into any other body corporate which results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or

(iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization, the Holder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of this Warrant, in lieu of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of Subsections 5.1(2)(a), 5.1(2)(b), or 5.1(2)(c) hereof, then the number of Shares purchasable upon the subsequent exercise of this Warrant shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to Subsection 5.1(2) of this Warrant.

(a) Subject to the following provisions of this Subsection 5.1(3), any adjustment made pursuant to Subsection 5.1(2) hereof shall be made successively whenever an event referred to therein shall occur.

(b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent in the then Exercise Price; provided, however, that any adjustments which except for the provision of this Subsection 5.1(3)(b) would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of Subsection 5.1(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of this Warrant (except in respect of the Share Reorganization described in Subsection 5.1(2)(a)(iv) hereof or a Capital Reorganization described in Subsection 5.1(2)(d)(ii) hereof).

(c) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of this Warrant shall be made in respect of any event described in Section 5.1 hereof if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Warrant prior to or on the record date or effective date, as the case may be, of such event.

(d) No adjustment in the Exercise Price or in the number of Shares purchasable upon the exercise of this Warrant shall be made pursuant to Subsection 5.1(2) hereof in respect of the issue from time to time of Shares and Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Company and/or any subsidiary of the Company and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Share Reorganization, a Rights Offering nor any other event described in Subsection 5.1(2) hereof.

(e) If at any time during the Adjustment Period the Company shall take any action affecting the Shares, other than an action described in Subsection 5.1(2) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of the Holder, either or both the Exercise Price and the number of Shares purchasable upon exercise of this Warrant shall be adjusted in such manner and at such time by action by the directors, in their sole discretion, as may be equitable in the circumstances; provided, however, that any such adjustment shall be subject to the approval of the applicable recognized stock exchange (if the Shares are then listed on such stock exchange) and any other required regulatory approvals.

(f) If the Company shall set a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of this Warrant shall be required by reason of the setting of such record date.

(g) In any case in which this Warrant shall require that an adjustment shall become effective immediately after a record date for an event referred to in Subsection 5.1(2) hereof, the Company may defer, until the occurrence of such event:

(i) issuing to the Holder, to the extent that this Warrant is exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and the number of Shares purchasable upon the exercise of this Warrant and to such distribution declared with respect to any such additional Shares issuable on this exercise of this Warrant.

(h) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(i) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Shares purchasable upon the exercise of this Warrant, such disputes shall be conclusively determined by a firm of independent chartered accountants mutually acceptable to the Company and the Holder other than the auditors of the Company and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to Subsection 5.1(2) hereof and shall be binding upon the Company and the Holder.

(j) As a condition precedent to the taking of any action which would require an adjustment pursuant to Subsection 5.1(2) hereof, including the Exercise Price and the number or class of Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable shares all of the Shares or other securities which the Holder is entitled to receive in accordance with the provisions of this Warrant Certificate.

(4) Notice: At least seven (7) days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, including the Exercise Price and the number of Shares which are purchasable under this Warrant, the Company shall deliver to the Holder a certificate of the Company specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Subsection 5.1(4) has been given is not then determinable, the Company shall promptly after such adjustment is determinable deliver to the Holder a certificate providing the calculation of such adjustment. The Company hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Company will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such seven (7) day period.

Determination of Adjustments

Section 5.2 If any question will at any time arise with respect to any adjustments to be made under Part 5, such question will be conclusively determined by the Company's auditor, or, if the Company's auditor declines to so act, any other chartered accountant that the Company and the Holder mutually agree upon and designate (acting reasonably) and who will have access to all appropriate records, and such determination will be binding upon the Company and the Holder.

Hold Period

Section 5.3 [In addition to the hold period set out on the face page of this warrant and the restriction set out in Part 7,] the Shares received by the Holder upon the exercise of the Warrants may be subject to a hold period as determined by the policies of the Canadian Securities Exchange and/or other applicable securities laws of stock exchange polices the Company is then listed on.

PART 6
COVENANTS BY THE COMPANY

Reservation of Shares

Section 6.1 The Company will reserve, and there will remain unissued out of its authorized capital, a sufficient number of shares to satisfy the rights of purchase provided for in all Warrants from time to time outstanding.

PART 7
RESTRICTION ON EXERCISE

Section 7.1 Any certificates representing Shares issued upon exercise of the Warrants prior to the date that is four months and one day after the date of issue of the Warrants, and any Shares issued in exchange for such Shares, will bear the following legends:

> **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE , 20 ."**

provided that at any time subsequent to the date which is four months and one day after the date hereof, any certificate representing any such Shares may be exchanged for a certificate bearing no such legends.

Section 7.2 This Warrant and the Shares to be issued upon its exercise have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This Warrant may not be exercised in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Shares are registered under the U.S. Securities Act and the applicable laws of any such state or (ii) an exemption from such registration requirements is available and, in either case, the Holder has complied with the requirements set forth in the Warrant Exercise Form attached hereto as **APPENDIX "B"**. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

Section 7.3 Any Shares issued upon exercise of this Warrant in the United States, or to or for the account or benefit of a U.S. person or a person in the United States, will be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act. The certificates representing such Shares, as well as all certificates issued in exchange or in substitution therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act, or applicable state securities laws, will bear, on the face of such certificate, the following legends:

> **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.**
>
> **THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."**

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act ('**Regulation S**") and such Shares were acquired at a time when the Company is a "foreign issuer" as defined in Regulation S, the legends set forth above in this Section 7.3 may be removed by providing a declaration to the registrar and transfer agent of the Company, as set forth in Appendix "D" attached hereto (or in such other form as the Company may prescribe from time to time); and provided, further, that, if the Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legends may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Section 7.4 Notwithstanding any provision to the contrary contained herein, no Shares will be issued pursuant to the exercise of any Warrant if the issuance of such securities would constitute a violation of the securities laws of any applicable jurisdiction, and the certificates evidencing the Shares thereby issued may bear such legend as may, in the opinion of legal counsel to the Company, be necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the Shares of the Company are listed, provided that, at any time, in the opinion of legal counsel to the Company, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at that holder's expense, provides the Company with evidence reasonably satisfactory in form and substance to the Company (which may include an opinion of legal counsel reasonably satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

PART 8
MODIFICATION OF TERMS, SUCCESSORS

Modification of Terms and Conditions for Certain Purposes

Section 8.1 From time to time the Company may, subject to the provisions of the Warrant Certificate, when so directed by the Holder, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel for the Company, are reasonably necessary or advisable in the circumstances;

(b) making such provisions not inconsistent herewith as may be reasonably necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of Warrants on any stock exchange or house;

(c) adding to or altering the provisions hereof in respect of the registration of Warrants making provision for the exchange of Warrant Certificates of different denominations; and making any modification in the form of Warrant Certificates which does not affect the substance thereof;

(d) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(e) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in the Warrants contained as provided hereafter in this Part 8.

The Company may Amalgamate on Certain Terms

Section 8.2 Nothing herein contained will prevent any amalgamation or merger of the Company with or into any other company, or the sale of the property or assets of the Company to any company lawfully entitled to acquire the same; provided however that such amalgamation or merger is permitted under the Debenture Purchase Agreement.

Additional Financings

Section 8.3 Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

[End of Schedule “A”]

APPENDIX "A"

INSTRUCTIONS TO HOLDERS

TO EXERCISE:

To exercise Warrants, the Holder must complete, sign and deliver the Warrant Exercise Form, attached as Appendix "B" and deliver the Warrant Certificate(s) to the Company, indicating the number shares to be acquired.

TO TRANSFER:

To transfer Warrants, the Holder must complete, sign and deliver the Warrant Transfer Form, attached as Appendix "C" and deliver the Warrant Certificate(s) to the Company. The Company may require such other certificates or opinions to evidence compliance with applicable securities legislation in Canada.

To transfer Warrants, the Warrant Holder's signature on the Warrant Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

GENERAL:

If forwarding any documents by mail, registered mail must be employed.

If the Warrant Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Company.

The address of the Company is:

iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

[End of Appendix "A"]

WARRANT EXERCISE FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

The undersigned Holder of the within Warrants hereby subscribes for _____common shares [or Class A convertible restricted voting shares, as the case may be] (the "**Shares**") of iAnthus Capital Holdings, Inc. (the "**Company**") pursuant to the within Warrants on the terms and price specified in the Warrants. This subscription is accompanied by a certified cheque, bank draft, or wire transfer payable to or to the order of the Company for the whole amount of the purchase price of the Shares.

[If the Warrants, or any of them, are exercised on or prior to June 29, 2018, then the Shares issued upon exercise of the Warrants will be Class A convertible restricted voting shares in the capital of the Company. If the Warrants, or any of them, are exercised after June 29, 2018, then] the Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

The undersigned hereby directs that the Shares be registered as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES

As at the time of exercise hereunder, the undersigned Holder represents, warrants and certifies as follows (check one):

☐ (A) the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and is not exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (as defined in Regulation S), and did not execute or deliver this exercise form in the United States; OR

☐ (B) the undersigned holder is resident in the United States, is a U.S. person, or is exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (a "**U.S. Holder**"), and is an "accredited investor", as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (a "**U.S. Accredited Investor**"), and has completed the U.S. Accredited Investor Status Certificate in the form attached to this exercise form; OR

☐ (C) if the undersigned holder is a U.S. Holder, the undersigned holder has delivered to the Company and the Company's transfer agent an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Company) or such other evidence reasonably satisfactory to the Company to the effect that with respect to the Shares to be delivered upon exercise of the

Warrant, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

Note: Certificates representing common shares will not be registered or delivered to an address in the United States unless box (B) or (C) immediately above is checked.

If the undersigned Holder has indicated that the undersigned Holder is a U.S. Accredited Investor by marking box (B) above, the undersigned Holder additionally represents and warrants to the Company that:

(2) the undersigned Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;

(3) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each a "**Beneficial Owner**"), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor; and

(4) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising (as such terms are used in Rule 502 of Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, television, the Internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking box (B) above, the undersigned also acknowledges and agrees that:

(5) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as the undersigned has considered necessary or appropriate in connection with the undersigned's investment decision to acquire the Shares;

(6) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(a) the sale is to the Company;

(b) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(c) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(d) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Company an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company;

(7) the Shares are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom;

(8) the Company has no obligation to register any of the Shares or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(9) the certificates representing the Shares (and any certificates issued in exchange or substitution for the Shares) will bear a legend stating that such securities have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered for sale or sold unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or unless an exemption from such registration requirements is available;

(10) delivery of certificates bearing such a legend may not constitute "good delivery" in settlement of transactions on Canadian stock exchanges or over-the-counter markets, but a new certificate without such a legend will be made available to the undersigned upon provision by the undersigned of a declaration to the registrar and transfer agent (the "**Transfer Agent**") of the Company's common shares in the form attached as Appendix "D" to the Warrant Certificate (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the Transfer Agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Transfer Agent, to the effect that such sale is being made in compliance with Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply; and provided, further, that, if any Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legend may be removed by delivery to the Transfer Agent and the Company of an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(11) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(12) there may be material tax consequences to the undersigned of an acquisition or disposition of the Shares;

(13) the Company gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of any Shares; in particular, no determination has been made whether the Company will be a "passive foreign investment company" (commonly known as a "**PFIC**") within the meaning of Section 1297 of the United States Internal Revenue Code;

(14) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Warrants will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

(15) the Company is not obligated to remain a "foreign issuer"; and

(16) the undersigned consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Warrant Exercise Form.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED this _____ day of _____, 20_____.

In the presence of:

Signature of Witness	Signature of Holder
Witness's Name	Name and Title of Authorized Signatory for the Holder

INSTRUCTIONS FOR SUBSCRIPTION

The signature to the subscription must correspond in every particular with the name written upon the face of the Warrant Certificate without alteration. If the registration in respect of the certificates representing the Shares to be issued upon exercise of the Warrants differs from the registration of the Warrant

Certificates the signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank, or of a major Canadian trust company, or by a medallion signature guarantee from a member recognized under the Signature Medallion Guarantee Program, or from a similar entity in the United States, if this transfer is executed in the United States, or in accordance with industry standards.

In the case of persons signing by agent or attorney or by personal representative(s), the authority of such agent, attorney or representative(s) to sign must be proven to the satisfaction of the Company.

If the Warrant Certificate and the form of subscription are being forwarded by mail, registered mail must be employed.

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of certain outstanding warrants of iANTHUS CAPITAL HOLDINGS, INC. (the "**Company**") by the holder, the holder hereby represents and warrants to the Company that the holder, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the holder is exercising such warrants, satisfies one or more of the following categories of Accredited Investor **(please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies):**

_____(1) Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Corporation Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Corporation licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act);

_____(2) Any private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940;

_____(3) Any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US$5,000,000;

_____(4) Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

_____(5) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US$1,000,000 (for the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

_____(6) A natural person who had annual gross income during each of the last two full calendar years in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) and reasonably expects to have annual gross income in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US$200,000 (or that together with his or her spouse will not remain in excess of US$300,000) for the foreseeable future;

_____(7) Any director or executive officer of the Company; or

_____(8) Any entity in which all of the equity owners meet the requirements of at least one of the above categories – if this alternative is selected you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.

[End of Appendix "B"

APPENDIX "C"

WARRANT TRANSFER FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue,
Suite 414 New York, New
York 10170 United States

Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned holder (the "**Transferor**") of the within Warrants hereby sells, assigns and transfers to _____(the "**Transferee**"), _____Warrants of iAnthus Capital Holdings, Inc. (the "**Company**") registered in the name of the undersigned on the records of the Company and irrevocably appoints _____the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned hereby directs that the Warrants hereby transferred be issued and delivered as follows:

NAME IN FULL	ADDRESS	NUMBER OF WARRANTS

The Transferor hereby certifies that (check either A or B):

_____ (A) the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), in which case the Transferor has delivered or caused to be delivered by the Transferee a written opinion of U.S. legal counsel of recognized standing in form and substance reasonably satisfactory to the Company to the effect that the transfer of the Warrants is exempt from the registration requirements of the U.S. Securities Act; or

_____ (B) the transfer of the Warrants is being made in reliance on Rule 904 of Regulation S under the U.S. Securities Act, and certifies that:

(1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor";

(2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) neither the seller nor any affiliate of the seller nor any person acting on their behalf engaged in any directed selling efforts in connection with the offer and sale of the Warrants;

(4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Warrants are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act);

(5) the Transferor does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities; and

(6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____ day of _____, 20_____.

Signature of Warrant Holder

Signature Guaranteed

INSTRUCTIONS FOR TRANSFER

Signature of the Warrant Holder must be the signature of the person appearing on the face of this Warrant Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.

The signature on the Transfer Form must be guaranteed by a chartered bank or trust company, or a member firm of an approved signature guarantee medallion program. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The Warrants will only be transferable in accordance with applicable laws. The Warrants and the common shares issuable upon exercise thereof have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be transferred to or for the account or benefit of a U.S. person or any person in the United States without registration under the U.S. Securities Act and applicable state securities laws, or compliance with the requirements of an exemption from registration. "**United States**" and "**U.S. person**" are as defined in Regulation S under the U.S. Securities Act.

[End of Appendix "C"]

APPENDIX "D"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Registrar and transfer agent for the shares of iAnthus Capital Holdings, Inc. (the "**Issuer**")

The undersigned (A) acknowledges that the sale of the common shares [or Class A convertible restricted voting shares, as the case may be,] in the capital of the Issuer represented by certificate number , to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer (except solely by virtue of being an officer or director of the Issuer) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

_____
Signature of Individual (if Seller **is** an individual)

_____
Authorized signatory (if Seller is **not** an individual)

_____
Name of Seller (**please print**)

_____
Name of authorized signatory (**please print**)

_____
Official capacity of authorized signatory (**print print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____(the "**Seller**") contained in the foregoing Declaration for Removal of Legend, dated _____, 20____, with regard to the sale, for such Seller's account, of_____common shares (the "**Securities**") of the Issuer represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(1) (no offer to sell Securities was made to a person in the United States;

(2) the sale of the Securities was executed in, on or through the facilities of the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Issuer shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

Per: Authorized Signatory

[End of Appendix "D"]

Exhibit 10.10

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MAY 20, 2017.

NO. CSW - Warrants

TO PURCHASE COMMON SHARES OF

The Canadian Bioceutical Corporation
(incorporated under the *Business Corporations Act* (Ontario))

THIS WARRANT IS NON-TRANSFERABLE

THIS IS TO CERTIFY THAT, for value received, , is entitled to purchase one fully paid and non-assessable common shares (the **"Shares")** of The Canadian Bioceutical Corporation (the **"Company")** for each share purchase warrant (the **"Warrant")** represented hereby, at any time up to 4:00 pm (Toronto time) on January 19, 2022, at an exercise price of Cdn$0.20 per Share, all upon and subject to the terms and conditions attached hereto.

On January 19, 2022 this Warrant will expire.

This Warrant and the offering pursuant to which this Warrant was issued have not been qualified in the United States of America and consequently this Warrant is not exercisable by any resident of the United States of America or his agent.

This Warrant may be exercised only at the offices of the Company at 110 - 477 Mt. Pleasant Road, Toronto, Ontario, M4S 2L9.

IN WITNESS WHEREOF the Company has caused this Warrant to be executed by an authorized officer. DATED on January 19, 2017.

THE CANADIAN BIOCEUTICAL CORPORATION

Name: W. Scott
Boyes Title: President
& CEO

TERMS AND CONDITIONS. This Warrant is issued subject to the terms and conditions for the time being governing the holding of Warrant in the Company.

A copy of the Terms and Conditions is attached hereto.

SUBSCRIPTION FORM
(one warrant is required to subscribe for each common share)

TO: THE CANADIAN BIOCEUTICAL CORPORATION
110 - 477 MT. PLEASANT ROAD
TORONTO, ONTARIO
M4S- 2L9

ATTN: PRESIDENT

The holder of this Warrant subscribes for _____ Shares of The Canadian Bioceutical Corporation. at a price of Cdn$0.05 per Share if exercised on or before 4:00 p.m. (Toronto time) on January 19, 2017, and thereafter at a price of Cdn$0.20 per Share (after which this Warrant expires), according to the conditions hereof and herewith makes payment of the purchase price in full for this number of Shares.

The undersigned hereby directs that the Shares hereby subscribed for be issued and delivered as follows:

Name(s) in Full	**Addresses**	**Number of Shares**

(Please print full names in which share certificates are to be issued, stating whether Mr., Mrs., Miss or Ms. If any of the shares are to be issued to a person or persons other than the bearer, the bearer must pay to the Company all requisite transfer taxes and/or fees.)

DATED _____

Witness

Signature of Warrant Holder

Please print below your name and address in full.

Mr. / Mrs. / Miss / Ms.

Address

TERMS AND CONDITIONS

attaching to this Warrant
issued by The Canadian Bioceutical
Corporation On January 19, 2017

1. INTERPRETATION

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) "Business Day" means any day that is not a Saturday, Sunday or statutory holiday in Toronto, Ontario;

(b) "Closing Date" means the date of the closing of the financing pursuant to which the Company issued this Warrant, being on January 19, 2017.

(c) "Company" means The Canadian Bioceutical Corporation until a successor corporation becomes such and thereafter "Company" will mean such successor corporation;

(d) "Company's Auditor" means an independent firm of accountants duly appointed as auditor of the Company;

(e) "Director" means a Director of the Company for the time being, and reference, without more, to action by the Directors means action by the Directors of the Company as a Board, or whenever duly empowered, action by an executive committee of the Board;

(f) " Exchange" means the Canadian Securities Exchange;

(g) "herein", "hereby", "hereof' and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression " Section" and "Subsection" followed by a number refer to the specified Section or Subsection of these Terms and Conditions;

(h) "person" means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(i) "Shares" means the common shares in the capital of the Company as constituted at the date hereof and any shares resulting from any subdivision or consolidation of the shares;

(u) " Warrant Holder" or "Holder" means the holder of this Warrant;

(k) "Warrant" mean this Warrant of the Company issued and presently authorized, as set out in Subsection 2.1 hereof and for the time being outstanding;

(1) words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.2 Interpretation not Affected by Headings

The division of these Terms and Conditions into sections and subsections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation thereof.

1.3 Applicable Law

This Warrant will be construed in accordance with the laws of Ontario and the laws of Canada applicable thereto and will be treated in all respects as an Ontario contract.

2. ISSUE OF WARRANTS

2.1 Issue of Warrants

This Warrant entitling the holders thereof to purchase an aggregate of 887,045 Shares are authorized to be issued by the Company.

2.2 Warrant Holder not a Shareholder

The holding of this Warrant will not constitute the holder thereof a shareholder of the Company, nor entitle him to any right or interest in respect thereof except as in this Warrant expressly provided.

2.3 Exchange of Warrant

(a) This Warrant in any authorized denomination may, upon compliance with the reasonable requirements of the Company, be exchanged for Warrants in any other authorized denomination, of the same series and date of expiry entitling the holder thereof to purchase any equal aggregate number of Shares at the same subscription price and on the same terms as this Warrant so exchanged.

(b) This Warrant may be exchanged only at the office of the Company. Any Warrant tendered for exchange will be surrendered to the Company and cancelled.

2.4 Charges for Exchange

On exchange of this Warrant, the Company except as otherwise herein provided, may charge a sum not exceeding $10.00 for each new Warrant certificate issued; and payment of such charges and of any transfer taxes or governmental or other charges required to be paid will be made by the party requesting such exchange.

2.5 Issue in Substitution for Lost Warrant

(a) In case this Warrant becomes mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated Warrant, or in lieu of, and in substitution for such lost, destroyed or stolen Warrant and the substituted Warrant will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants issued or to be issued by the Company.

(b) The applicant for the issue of a new Warrant pursuant hereto will bear the cost of the issue thereof and in case of loss, destruction or theft will furnish to the Company such evidence of ownership and of loss, destruction, or theft of the Warrant so lost, destroyed or stolen as will be satisfactory to the Company in its discretion and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion, and will pay the reasonable charges of the Company in connection therewith.

3. OWNERSHIP

3.1 Ownership of Warrants

The Company may deem and treat the holder of any Warrant as the absolute owner of such Warrant, for all purposes, and will not be affected by any notice or knowledge to the contrary. The holder of any Warrant will be entitled to the rights evidenced by such Warrant and all persons may act accordingly and the receipt of any such holder for the Shares purchasable pursuant thereto will be a good discharge to the Company for the same and the Company will not be bound to enquire into the title of any such holder. This Warrant will be non-transferable.

3.2 Notice to Warrant Holders

Unless herein otherwise expressly provided, any notice to be given hereunder to Warrant Holders will be provided directly to the holder thereof at the most recent address provided to the Company.

4. EXERCISE OF WARRANTS

4.1 Method of Exercise of Warrants

The right to purchase Shares conferred by this Warrant may be exercised by the holder of any such Warrants surrendering this Warrant, with a duly completed and executed subscription in the form appended thereto and cash or a certified cheque payable to or to the order of the Company, for the purchase price applicable at the time of surrender in respect of the Shares subscribed for in lawful money of Canada to the Company's office at 110 - 477 Mt. Pleasant Road, Toronto, Ontario, M4S 2L9, Attn: President. **Notwithstanding anything else written herein, the Warrant Holder shall submit and ensure the mandatory clearance of its PIF with the Exchange in the event that any Warrant Holder becomes an Insider in relation to the exercise of a Warrant (or for any other reason required by the Exchange).**

4.2 Effect of Exercise of Warrants

(a) Upon surrender and payment as aforesaid the Shares so subscribed for will be deemed to have been issued and such person or persons will be deemed to have become the holder or holders of record of such Shares on the date of such surrender and payment, and such Shares will be issued at the subscription price in effect on the date of such surrender and payment.

(b) Within five (5) business days after surrender and payment as aforesaid, the Company will forthwith cause to be delivered to the person or persons in whose name or names the Shares so subscribed for are to be issued as specified in such subscription or mailed to him or them at his or their respective addresses specified in such subscription, a certificate or certificates for the appropriate number of Shares not exceeding those which the Warrant Holder is entitled to purchase pursuant to this Warrant surrendered.

4.3 Subscription for Less Than Entitlement

The holder of any Warrant may subscribe for and purchase a number of Shares less than the number which he is entitled to purchase pursuant to the surrendered Warrant. In the event of any purchase of a number of Shares less than the number which can be purchased pursuant to a Warrant, the holder thereof upon exercise thereof will in addition be entitled to receive a new Warrant in respect of the balance of the Shares which he was entitled to purchase pursuant to the surrendered Warrant and which were not then purchased.

4.4 Warrant for Fractions of Shares

To the extent that the holder of any Warrant is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant or other Warrant which in the aggregate entitle the holder to receive a whole number of such Shares.

4.5 Expiration of Warrants

The Warrant is exercisable until 4:00 p.m. (Toronto time) on January 19, 2022. After the expiration of the period within which a Warrant is exercisable, all rights thereunder will wholly cease and terminate and such Warrant will be void and of no effect.

4.6 Exercise Price and Expiry Date

The price per Share which must be paid to exercise a Warrant is Cdn.$0.20 per Share until 4:00 pm (Toronto time) on January 19, 2022.

4.7 Adjustment of Exercise Price

The exercise price and the number of Shares deliverable upon the exercise of this Warrant will be subject to adjustment in the events and in the manner following:

(a) if after the Closing Date and whenever the Shares at any time outstanding are subdivided into a greater or consolidated into a lesser number of Shares, the exercise price will be decreased or increased proportionately as the case may be; upon any such subdivision or consolidation the number of Shares deliverable upon the exercise of this Warrant will be increased or decreased proportionately as the case may be;

(b) in case of any capital reorganization or of any reclassification of the capital of the Company or in case of the consolidation, merger or amalgamation of the Company with or into any other companies, in either case after the Closing Date, each Warrant will, after such capital reorganization, reclassification of capital, consolidation, merger or amalgamation, confer the right to purchase the number of Shares or other securities or property of the Company or of the Company resulting from such capital reorganization, reclassification, consolidation, merger or amalgamation, as the case may be, to which the holder of the Shares deliverable at the time of such capital reorganization, reclassification of capital, consolidation, merger or amalgamation, upon the exercise of such Warrant would have been entitled on such capital reorganization, reclassification, consolidation, merger or amalgamation and in any such case, if necessary, appropriate adjustments will be made in the application of the provisions set forth in this Section 4 with respect to the rights and interest thereafter of the holders of this Warrant to the end that the provisions set forth in this Section 4 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any Shares or other securities or property thereafter deliverable on the exercise of this Warrant. The subdivision or consolidation of Shares at any time outstanding into a greater or lesser number of Shares (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Subsection (b);

(c) the adjustments provided for in this Subsection in the subscription rights pursuant to this Warrant are cumulative.

4.8 Determination of Adjustments

If any question will at any time arise with respect to the exercise price, such question will be conclusively determined by the Company' s Auditor, or, if it declines to so act, any other firm of chartered accountants, in Toronto, that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and the Warrant Holders.

5. COVENANTS BY THE COMPANY

The Company will reserve and there will remain unissued out of its authorized capital a sufficient number of Shares to satisfy the rights of purchase provided for herein and in this Warrant should the holders of all this Warrant from time to time outstanding determine to exercise such rights in respect of all Shares which they are or may be entitled to purchase pursuant thereto.

6. WAN ER OF CERTAIN RIGHTS

6.1 Immunity of Shareholders, etc.

The Warrant Holder hereby waives and releases any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholder, director or officer (as such) of the Company for the issue of Shares pursuant to any Warrant or on any covenant, agreement, representation or warranty by the Company herein contained.

7. MODIFICATION OF TERMS, MERGER, SUCCESSORS

7.1 Modification of Terms and Conditions for Certain Purposes

From time to time the Company, may, subject to the provisions of these presents, and it will, when so directed by these presents, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel for the Company, are necessary or advisable in the premises;

(b) making such provisions not inconsistent herewith as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of this Warrant on any stock exchange or house;

(c) adding to or altering the provisions hereof in respect of the registration and transfer of Warrants, making provision for the exchange of Warrants of different denominations, and making any modification in the form of this Warrant which does not affect the substance thereof;

(d) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(e) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in this Warrant contained as provided hereafter in this Article.

However, notwithstanding the above-written provisions of this section 7.1, no changes or modifications shall be made to the commercial terms of the Warrants without the express prior written consent of the Warrant Holder.

7.2 Company May Consolidate, etc. on Certain Terms

Nothing herein contained will prevent any consolidation, amalgamation or merger of the Company with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any corporation lawfully entitled to acquire and operate the same; provided however that the corporation formed by such consolidation or into which such merger will have been made will be a corporation organized and existing under the laws of Canada or of the United States of America or any province, state, district or territory thereof, and will, simultaneously with such consolidation, amalgamation or merger, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company.

7.3 Successor Corporation Substituted

In case the Company will be consolidated, amalgamated or merged with or into any other corporation or corporations, the successor corporation formed by such consolidation or amalgamation, or into which the Company will have been merged, will succeed to and be substituted for the Company hereunder. Such changes in phraseology and form (but not in substance) may be made in this Warrant as may be appropriate in view of such consolidation, amalgamation or merger.

7.4 Additional Financing

Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

7.5 Currency

All references to currency herein shall be in Canadian dollars.

7.6 Time

Time shall be of the essence hereof.

RESALE RESTRICTIONS, LEGENDING OF CERTIFICATES

All certificates representing Shares issued on or before May 20, 2017 shall bear the following legends:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MAY 20, 2017."

Exhibit 10.11

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE AFTER 5:00 P.M. (TORONTO TIME) ON OCTOBER 30, 2022 UNLESS HOLDER HAS EXERCISED ITS RIGHTS PRIOR THERETO.

iANTHUS CAPITAL HOLDINGS, INC.
(Incorporated under the laws of British Columbia)

Certificate Number: Warrants to Purchase Common Shares

COMMON SHARE PURCHASE WARRANTS

THIS IS TO CERTIFY THAT, for value received, (the "Holder") is entitled to subscribe for and purchase at any time on or before 5:00 p.m. Toronto time on , 20 (the "Expiry Date"), up to fully paid and non-assessable common shares without par value in the capital of the Company, (collectively the "Shares" and individually, a "Share"), at a price of $ per Share. This Warrant is subject to the provisions of the Terms and Conditions attached hereto as Schedule "A" and forming part hereof.

The rights represented by this Warrant Certificate may be exercised by the Holder, in whole or in part (but not as to a fraction of a Share) by surrender of this Warrant Certificate (properly endorsed as required), together with a Warrant Exercise Form in the form attached hereto as Appendix "B", duly completed and executed, to the Company at Suite 2740, 22 Adelaide Street West, Toronto, Ontario, M5H 3E3 (Attention: Chief Financial Officer), or such other address as the Company may from time to time in writing direct, together with a certified cheque or bank draft payable to or to the order of the Company in payment of the purchase price of the number of Shares subscribed for. The Holder is advised to read "Instruction to Holders" attached hereto as Appendix "A" for details on how to complete the Warrant Exercise Form (as such term is defined in Schedule "A").

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be executed by its duty authorized officer, this

iANTHUS CAPITAL HOLDINGS, INC.

Per:

SCHEDULE "A"

TERMS AND CONDITIONS
ATTACHED TO COMMON SHARE PURCHASE
WARRANTS ISSUED BY iANTHUS CAPITAL
HOLDINGS, INC.
(the "Company")

Each Warrant of the Company, whether single or part of a series, is subject to these Terms and Conditions as they were at the date of issue of the Warrant.

PART 1
DEFINITIONS AND INTERPRETATION

Definitions

Section 1.1 In these Terms and Conditions, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

(a) "Company" means iAnthus Capital Holdings, Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) and includes any successor corporations;

(b) "Company's auditor" means the accountant duly appointed as auditor of the Company;

(c) "Exercise Price" means $ per Share or as may be adjusted pursuant to Section 5;

(d) "Expiry Date" means , 20 ;

(e) "Expiry Time" means 5:00 p.m. (Toronto time) on the Expiry Date;

(f) "Holder" means the registered holder of a Warrant;

(g) "Joint Actors" has the meaning ascribed thereto in Section 7.1;

(h) "person" means an individual, corporation, partnership, trustee or any unincorporated organization, and words importing persons have a similar meaning;

(i) "Shares" or "shares" means the common shares, without par value, in the capital of the Company as constituted at the date of issue of a Warrant and any shares resulting from any event referred to in Section 4.7;

(j) "Warrant" means a warrant as evidenced by the certificate, one (1) Warrant entitles the holder to purchase one (1) common share of the Company (subject to adjustment) on or before the Expiry Date at the Exercise Price set forth on the Warrant Certificate;

(k) "Warrant Certificate" means the certificate evidencing the Warrant; and

(l) "Warrant Exercise Form" means Appendix "B" hereof. Interpretation

Section 1.2 In these Terms and Conditions, except as otherwise expressly provided herein:

(a) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Warrant Certificate as a whole and not to any particular Part, clause, subclause or other subdivision;

(b) a reference to a Part or a Section means a Part or a Section, as applicable, of these Terms and Conditions;

(c) the headings are for convenience only, do not form a part of these Terms and Conditions and are not intended to interpret, define or limit the scope, extent or intent of these Terms and Conditions or any of its provisions;

(d) all dollar amounts referred to herein are expressed in Canadian funds;

(e) time will be of the essence hereof; and

(f) words importing the singular number include the plural and vice versa, and words importing the masculine gender include feminine and neuter genders.

Applicable Law

Section 1.3 The Warrants will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto and will be treated in all respects as legal contracts under the laws of the Province of British Columbia.

PART 2
ISSUE OF WARRANTS

Additional Warrants

Section 2.1 The Company may at any time and from time to time issue Warrants or grant options or similar rights to purchase shares of the Company.

Issue in Substitution for Lost Warrants

Section 2.2 In case a Warrant Certificate will become mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, and in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the Warrants represented by such substituted Warrant Certificate will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants of the same issue. The Company may charge a reasonable fee for the issuance and delivery of a new Warrant Certificate.

Section 2.3 The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and in the case of loss, destruction or theft furnish to the Company such evidence of ownership, and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its discretion; and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion and will pay the reasonable charges of the Company in connection therewith.

Holder not a Shareholder

Section 2.4 The holding of a Warrant will not constitute the Holder a shareholder of the Company, nor entitle the Holder to any right or interest in respect thereof, except as expressly provided in the Warrant Certificate.

Securities Law Exemption

Section 2.5 The Holder acknowledges and agrees that the Warrants and any Shares issued pursuant to the exercise of any Warrants have been or will be issued only on a "private placement" basis and that the Company has no obligation to, and does not intend to, file any prospectus or registration statement in any jurisdiction in order to qualify any of such Warrants and/or Shares for resale.

PART 3
OWNERSHIP

Exchange of Warrants

Section 3.1 A Warrant Certificate in any authorized denomination, upon compliance with the reasonable requirements of the Company, may be exchanged for a Warrant Certificate(s) in any other authorized denomination of the same issue entitling the Holder to purchase an equal aggregate number of Shares at the same Exercise Price and on the same terms as the Warrant Certificate so exchanged.

Section 3.2 Warrants may be exchanged only with the Company. Any Warrants tendered for exchange will be surrendered to the Company and cancelled.

Section 3.3 The Warrants are transferable by the Holder completing and submitting to the Company a completed and duly executed Warrant Transfer Form.

Charges for Exchange

Section 3.4 On exchange of Warrants, the Company, except as otherwise herein provided, may charge a reasonable fee for each new Warrant Certificate issued, and payment of any transfer taxes or governmental or other charges required to be paid will be made by the party requesting such exchange.

Ownership of Warrants

Section 3.5 The Company may deem and treat the Holder of a Warrant as the absolute owner of such Warrant for all purposes and will not be affected by any notice or knowledge to the contrary.

Notice to Holder

Section 3.6 Unless herein otherwise expressly provided, any notice to be given hereunder to a Holder will be deemed to be validly given, if mailed to the address of the Holder as set out on the Warrant Certificate. Any notice so given will be deemed to have been received five days from the date of mailing to the Holder or any market intermediary then holding the Warrants of the Holder in any trust account.

PART 4
EXERCISE OF WARRANTS

Method of Exercise of Warrants

Section 4.1 The right to purchase Shares conferred by a Warrant may be exercised by the Holder surrendering the Warrant Certificate, together with a duly completed and executed Warrant Exercise Form and a certified cheque, bank draft or wire transfer payable to, or to the order of the Company at the address as set out on the Warrant Certificate, for the purchase price applicable at the time of surrender in respect of the shares subscribed for in lawful money of Canada to the Company at the address as set out on the Warrant Exercise Form.

Effect of Exercise of Warrants

Section 4.2 Upon surrender and payment as aforesaid, the shares so subscribed for will be deemed to have been issued, and the Holder will be deemed to have become the holder of such shares on the date of such surrender and payment, and such shares will be issued at the Exercise Price as may be adjusted in the events and in the manner described herein.

Section 4.3 Within ten business days after surrender and payment as aforesaid, the Company will forthwith cause to be delivered to the person in whose name the shares are directed to be registered as specified in such Warrant Exercise Form, or if no such direction is given, the Holder, a certificate for the appropriate number of shares not exceeding those which the Holder is entitled to purchase pursuant to the Warrant Certificate surrendered.

Subscription for Less than Entitlement

Section 4.4 A Holder may purchase a number of Shares less than the number which the Holder is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of shares less than the number which can be purchased pursuant to a Warrant Certificate, the Holder, upon exercise thereof, will, in addition to certificates representing shares issued on such exercise, and be entitled to receive a new Warrant Certificate in respect of the balance of the shares which the Holder was entitled to purchase pursuant to the surrendered Warrant Certificate but which were not then purchased.

Warrants for Fractions of Shares

Section 4.5 To the extent that a Holder is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate will entitle the Holder to receive a whole number of Shares.

Expiration of Warrants

Section 4.6 After the Expiry Date, all rights under the Warrants will wholly cease and terminate, and the Warrants will thereupon be void and of no effect.

Exercise Price

Section 4.7 The price per Share which must be paid to exercise a Warrant is the Exercise Price, as may be adjusted in the events and in the manner described herein.

PART 5
ADJUSTMENTS

Section 5.1 Adjustments

(1) Definitions: For the purposes of this Part 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection:

(a) "Adjustment Period" means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;

(b) "Current Market Price" means the price per share equal to the weighted average price at which the Shares have traded on the Canadian Securities Exchange or a senior stock exchange or, if the Shares are not then listed on such an exchange, in the over-the-counter market, during the period of any twenty (20) consecutive trading days ending not more than five (5) business days before such date;

(c) "director" means a director of the Company at the relevant time and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Company as a board or, whenever empowered, action by any committee of the directors of the Company; and

(d) "trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2) Adjustments: The Exercise Price and the number of Shares issuable to the Holder pursuant to this Warrant shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If at any time during the Adjustment Period the Company shall:

(i) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares;

(iii) subdivide the outstanding Shares into a greater number of Shares; or

(iv) consolidate the outstanding Shares into a lesser number of Shares;

(any of such events in subclauses 5.1(2)(a)(i), 5.1(2)(a)(ii), 5.1(2)(a)(iii) and 5.1(2)(a)(iv) above being herein called a "Share Reorganization"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Share Reorganization and the effective date of the Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Share Reorganization; and

(B) the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Share Reorganization (including in the case of a distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares that would be outstanding had such securities all been exchanged or exercised for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(a) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Share actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Subsection 5.1(2)(a) the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization, if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "Rights Period"), to subscribe for or purchase Share or securities exchangeable for or convertible into Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a "Rights Offering"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing:

either: (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered; or (b) the product of the exchange, exercise or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be; by

the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares into which such securities may be exchanged, exercised or converted).

Any Share owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(b) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this Subsection 5.1(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the Share of:

(i) shares of the Company of any class other than Shares;

(ii) rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares (other than rights, options or warrants pursuant to which holders of Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares at a price per share (or in the case of securities exchangeable or exercisable for or convertible into Shares at an exchange, exercise or conversion price per share on the record date for the issue of such securities) of at least 95% of the Current Market Price of the Shares on such record date);

(iii) evidences of indebtedness of the Company; or

(iv) any property or assets of the Company;

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "Special Distribution"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date, and

the fair value, as determined by the directors of the Company, to the holders of Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(c) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares referred to in this Subsection 5.1(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there shall occur:

(i) a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Share Reorganization;

(ii) a consolidation, amalgamation or merger of the Company with or into any other body corporate which results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or

(iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a "Capital Reorganization"), after the effective date of the Capital Reorganization, the Holder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of this Warrant, in lieu of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of Subsections 5.1(2)(a), 5.1(2)(b), or 5.1(2)(c) hereof, then the number of Shares purchasable upon the subsequent exercise of this Warrant shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to Subsection 5.1(2) of this Warrant.

(a) Subject to the following provisions of this Subsection 5.1(3), any adjustment made pursuant to Subsection 5.1(2) hereof shall be made successively whenever an event referred to therein shall occur.

(b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent in the then Exercise Price; provided, however, that any adjustments which except for the provision of this Subsection 5.1(3)(b) would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of Subsection 5.1(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of this Warrant (except in respect of the Share Reorganization described in Subsection 5.1(2)(a)(iv) hereof or a Capital Reorganization described in Subsection 5.1(2)(d)(ii) hereof).

(c) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of this Warrant shall be made in respect of any event described in Section 5.1 hereof if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Warrant prior to or on the record date or effective date, as the case may be, of such event.

(d) No adjustment in the Exercise Price or in the number of Shares purchasable upon the exercise of this Warrant shall be made pursuant to Subsection 5.1(2) hereof in respect of the issue from time to time of Shares and Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Company and/or any subsidiary of the Company and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Share Reorganization, a Rights Offering nor any other event described in Subsection 5.1(2) hereof.

(e) If at any time during the Adjustment Period the Company shall take any action affecting the Shares, other than an action described in Subsection 5.1(2) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of the Holder, either or both the Exercise Price and the number of Shares purchasable upon exercise of this Warrant shall be adjusted in such manner and at such time by action by the directors, in their sole discretion, as may be equitable in the circumstances; provided, however, that any such adjustment shall be subject to the approval of the applicable recognized stock exchange (if the Shares are then listed on such stock exchange) and any other required regulatory approvals.

(f) If the Company shall set a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of this Warrant shall be required by reason of the setting of such record date.

(g) In any case in which this Warrant shall require that an adjustment shall become effective immediately after a record date for an event referred to in Subsection 5.1(2) hereof, the Company may defer, until the occurrence of such event:

(i) issuing to the Holder, to the extent that this Warrant is exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and the number of Shares purchasable upon the exercise of this Warrant and to such distribution declared with respect to any such additional Shares issuable on this exercise of this Warrant.

(h) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(i) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Shares purchasable upon the exercise of this Warrant, such disputes shall be conclusively determined by a firm of independent chartered accountants mutually acceptable to the Company and the Holder other than the auditors of the Company and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to Subsection 5.1(2) hereof and shall be binding upon the Company and the Holder.

(j) As a condition precedent to the taking of any action which would require an adjustment pursuant to Subsection 5.1(2) hereof, including the Exercise Price and the number or class of Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable shares all of the Shares or other securities which the Holder is entitled to receive in accordance with the provisions of this Warrant Certificate.

(4) Notice: At least seven (7) days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, including the Exercise Price and the number of Shares which are purchasable under this Warrant, the Company shall deliver to the Holder a certificate of the Company specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Subsection 5.1(4) has been given is not then determinable, the Company shall promptly after such adjustment is determinable deliver to the Holder a certificate providing the calculation of such adjustment. The Company hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Company will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such seven (7) day period.

Determination of Adjustments

Section 5.2 If any question will at any time arise with respect to any adjustments to be made under Part 5, such question will be conclusively determined by the Company's auditor, or, if the Company's auditor declines to so act, any other chartered accountant that the Company may designate (acting reasonably) and who will have access to all appropriate records, and such determination will be binding upon the Company and the Holder.

Hold Period

Section 5.3 The Shares received by the Holder upon the exercise of the Warrants may be subject to a hold period as determined by the policies of the Canadian Securities Exchange and/or other applicable securities laws of stock exchange polices the Company is then listed on.

PART 6
COVENANTS BY THE COMPANY

Reservation of Shares

Section 6.1 The Company will reserve, and there will remain unissued out of its authorized capital, a sufficient number of shares to satisfy the rights of purchase provided for in all Warrants from time to time outstanding.

PART 7
RESTRICTION ON EXERCISE

Blocking Language

Section 7.1 Notwithstanding anything contained herein to the contrary, the rights represented by this Warrant Certificate will not be exercisable by the Holder, in whole or in part, and the Company will not give effect to any such exercise, if, after giving effect to such exercise, the Holder, together with any person or company acting jointly or in concert with the Holder (the "Joint Actors") would in the aggregate beneficially own, or exercise control or direction over that number of voting securities of the Company which is twenty percent (20%) or greater of the total issued and outstanding voting securities of the Company, immediately after giving effect to such exercise. For greater certainty, the rights represented by this Warrant Certificate will not be exercisable by the Holder, in whole or in part, and the Company will not give effect to any such exercise, if, after giving effect to such exercise, the Holder, together with its Joint Actors, would be deemed to hold a number of voting securities sufficient to materially affect the control of the Company. The Company herby acknowledges and agrees that the members of the Holder, in the event that the Warrants held by the Holder are distributed to such persons, will not constitute Joint Actors on the basis that they are or were each members of the Holder.

Section 7.2 This Warrant and the Shares to be issued upon its exercise have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. This Warrant may not be exercised in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Shares are registered under the U.S. Securities Act and the applicable laws of any such state or (ii) an exemption from such registration requirements is available and, in either case, the Holder has complied with the requirements set forth in the Warrant Exercise Form attached hereto as Appendix "B". "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

Section 7.3 Any Shares issued upon exercise of this Warrant in the United States, or to or for the account or benefit of a U.S. person or a person in the United States, will be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act. The certificates representing such Shares, as well as all certificates issued in exchange or in substitution therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act, or applicable state securities laws, will bear, on the face of such certificate, the following legends:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.
>
> THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act ("Regulation S") and such Shares were acquired at a time when the Company is a "foreign issuer" as defined in Regulation S, the legends set forth above in this Section 7.3 may be removed by providing a declaration to the registrar and transfer agent of the Company, as set forth in Appendix "D" attached hereto (or in such other form as the Company may prescribe from time to time); and provided, further, that, if the Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legends may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance satisfactory to the Company that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Section 7.4 Notwithstanding any provision to the contrary contained herein, no Shares will be issued pursuant to the exercise of any Warrant if the issuance of such securities would constitute a violation of the securities laws of any applicable jurisdiction, and the certificates evidencing the Shares thereby issued may bear such legend as may, in the opinion of legal counsel to the Company, be necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the Shares of the Company are listed, provided that, at any time, in the opinion of legal counsel to the Company, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at that holder's expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of legal counsel satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

PART 8
MODIFICATION OF TERMS, SUCCESSORS

Modification of Terms and Conditions for Certain Purposes

Section 8.1 From time to time the Company may, subject to the provisions of the Warrant Certificate, when so directed by the Holder, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel for the Company, are necessary or advisable in the circumstances;

(b) making such provisions not inconsistent herewith as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of Warrants on any stock exchange or house;

(c) adding to or altering the provisions hereof in respect of the registration of Warrants making provision for the exchange of Warrant Certificates of different denominations; and making any modification in the form of Warrant Certificates which does not affect the substance thereof;

(d) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(e) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in the Warrants contained as provided hereafter in this Part 8.

The Company may Amalgamate on Certain Terms

Section 8.2 Nothing herein contained will prevent any amalgamation or merger of the Company with or into any other company, or the sale of the property or assets of the Company to any company lawfully entitled to acquire the same; provided however that the company formed by such merger or amalgamation or which acquires by conveyance or transfer all or substantially all the properties and assets of the Company will be a company organized and existing under the laws of Canada or of the United States of America or any Province, State, District or Territory thereof, which will, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company and will succeed to and be substituted for the Company, and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate as may be appropriate in view of such amalgamation, merger or transfer. Additional Financings

Section 8.3 Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

[End of Schedule “A”]

APPENDIX “A”

INSTRUCTIONS TO HOLDERS

TO EXERCISE:

To exercise Warrants, the Holder must complete, sign and deliver the Warrant Exercise Form, attached as Appendix “B” and deliver the Warrant Certificate(s) to the Company, indicating the number shares to be acquired.

TO TRANSFER:

To transfer Warrants, the Holder must complete, sign and deliver the Warrant Transfer Form, attached as Appendix “C” and deliver the Warrant Certificate(s) to the Company. The Company may require such other certificates or opinions to evidence compliance with applicable securities legislation in Canada.

To transfer Warrants, the Warrant Holder’s signature on the Warrant Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

GENERAL:

If forwarding any documents by mail, registered mail must be employed.

If the Warrant Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Company.

The mailing address of the

Company is: iAnthus Capital

Holdings, Inc.
Suite 2740, 22 Adelaide
Street West Toronto,
Ontario, M5H 3E3
Canada

Attention: Chief Financial Officer

[End of Appendix “A”]

EXCHANGE WARRANT CERTIFICATE ISSUABLE TO MPX WARRANTHOLDERS PURSUANT TO PLAN OF ARRANGEMENT COMPLETED ON OCTOBER 18, 2018 (NO HOLD PERIOD)

APPENDIX “B”

WARRANT EXERCISE FORM

TO: iAnthus Capital Holdings, Inc.
Suite 2740, 22 Adelaide
Street West Toronto,
Ontario, M5H 3E3
Canada

Attention: Chief Financial Officer

The undersigned Holder of the within Warrants hereby subscribes for _____ common shares (the “Shares”) of iAnthus Capital Holdings, Inc. (the “Company”) pursuant to the within Warrants on the terms and price specified in the Warrants. This subscription is accompanied by a certified cheque or bank draft payable to or to the order of the Company for the whole amount of the purchase price of the Shares.

The undersigned hereby directs that the Shares be registered as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES

As at the time of exercise hereunder, the undersigned Holder represents, warrants and certifies as follows (check one):

☐ (A) the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a “U.S. person” as defined in Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and is not exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (as defined in Regulation S), and did not execute or deliver this exercise form in the United States; OR

☐ (B) the undersigned holder is resident in the United States, is a U.S. person, or is exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (a “U.S. Holder”), and is an “accredited investor”, as defined in Rule 501(a) of Regulation D under the U.S. Securities Act (a “U.S. Accredited Investor”), and has completed the U.S. Accredited Investor Status Certificate in the form attached to this exercise form; OR

☐ (C) if the undersigned holder is a U.S. Holder, the undersigned holder has delivered to the Company and the Company’s transfer agent an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the Shares to be delivered upon exercise of the Warrant, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

Note: Certificates representing common shares will not be registered or delivered to an address in the United States unless box (B) or (C) immediately above is checked.

If the undersigned Holder has indicated that the undersigned Holder is a U.S. Accredited Investor by marking box (B) above, the undersigned Holder additionally represents and warrants to the Company that:

(2) the undersigned Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;

(3) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each a "Beneficial Owner"), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor; and

(4) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising (as such terms are used in Rule 502 of Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, television, the Internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking box (B) above, the undersigned also acknowledges and agrees that:

(5) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as the undersigned has considered necessary or appropriate in connection with the undersigned's investment decision to acquire the Shares;

(6) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(a) the sale is to the Company;

(b) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(c) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(d) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company;

(7) the Shares are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom;

(8) the Company has no obligation to register any of the Shares or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(9) the certificates representing the Shares (and any certificates issued in exchange or substitution for the Shares) will bear a legend stating that such securities have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered for sale or sold unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or unless an exemption from such registration requirements is available;

(10) delivery of certificates bearing such a legend may not constitute "good delivery" in settlement of transactions on Canadian stock exchanges or over-the-counter markets, but a new certificate without such a legend will be made available to the undersigned upon provision by the undersigned of a declaration to the registrar and transfer agent (the "Transfer Agent") of the Company's common shares in the form attached as Appendix "D" to the Warrant Certificate (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the Transfer Agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the Transfer Agent, to the effect that such sale is being made in compliance with Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply; and provided, further, that, if any Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legend may be removed by delivery to the Transfer Agent and the Company of an opinion of counsel of recognized standing in form and substance satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(11) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(12) there may be material tax consequences to the undersigned of an acquisition or disposition of the Shares;

(13) the Company gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of any Shares; in particular, no determination has been made whether the Company will be a "passive foreign investment company" (commonly known as a "PFIC") within the meaning of Section 1297 of the United States Internal Revenue Code;

(14) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Warrants will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "PATRIOT Act"), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

(15) the Company has ceased to be a "foreign private issuer" under the rules of the U.S. Securities and Exchange Commission and will cease to be eligible to use the rules and forms available to foreign private issuers as of December 31, 2019; and

(16) the undersigned consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Warrant Exercise Form.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED this _____ day of _____, 20_____.

In the presence of:

Signature of Witness	Signature of Holder
Witness's Name	Name and Title of Authorized Signatory for the Holder

INSTRUCTIONS FOR SUBSCRIPTION

The signature to the subscription must correspond in every particular with the name written upon the face of the Warrant Certificate without alteration. If the registration in respect of the certificates representing the Shares to be issued upon exercise of the Warrants differs from the registration of the Warrant Certificates the signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank, or of a major Canadian trust company, or by a medallion signature guarantee from a member recognized under the Signature Medallion Guarantee Program, or from a similar entity in the United States, if this transfer is executed in the United States, or in accordance with industry standards.

In the case of persons signing by agent or attorney or by personal representative(s), the authority of such agent, attorney or representative(s) to sign must be proven to the satisfaction of the Company.

If the Warrant Certificate and the form of subscription are being forwarded by mail, registered mail must be employed.

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of certain outstanding warrants of iANTHUS CAPITAL HOLDINGS, INC. (the "Company") by the holder, the holder hereby represents and warrants to the Company that the holder, and each beneficial owner (each a "Beneficial Owner"), if any, on whose behalf the holder is exercising such warrants, satisfies one or more of the following categories of Accredited Investor (please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies):

1. Initials _____ Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act);

2. Initials _____ Any private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940;

3. Initials _____ Any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US$5,000,000;

4. Initials _____ Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

EXCHANGE WARRANT CERTIFICATE ISSUABLE TO MPX WARRANTHOLDERS PURSUANT TO PLAN OF ARRANGEMENT COMPLETED ON OCTOBER 18, 2018 (NO HOLD PERIOD)

5. Initials _____ A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US$1,000,000 (note: for the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

6. Initials _____ A natural person who had annual gross income during each of the last two full calendar years in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) and reasonably expects to have annual gross income in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US$200,000 (or that together with his or her spouse will not remain in excess of US$300,000) for the foreseeable future;

7. Initials _____ Any director or executive officer of the Issuer; or

8. Initials _____ Any entity in which all of the equity owners meet the requirements of at least one of the above categories – if this category is selected you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.

[End of Appendix "B"]

APPENDIX "C"

WARRANT TRANSFER FORM

TO: iAnthus Capital Holdings, Inc.
Suite 2740, 22 Adelaide
Street West Toronto,
Ontario, M5H 3E3
Canada

Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned holder (the "Transferor") of the within Warrants hereby sells, assigns and transfers to _____ (the "Transferee"), _____ Warrants of iAnthus Capital Holdings, Inc. (the "Company") registered in the name of the undersigned on the records of the Company and irrevocably appoints the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned hereby directs that the Warrants hereby transferred be issued and delivered as follows:

NAME IN FULL	ADDRESS	NUMBER OF WARRANTS

The Transferor hereby certifies that (check either A or B):

_____ (A) the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), in which case the Transferor has delivered or caused to be delivered by the Transferee a written opinion of U.S. legal counsel of recognized standing in form and substance satisfactory to the Company to the effect that the transfer of the Warrants is exempt from the registration requirements of the U.S. Securities Act; or

_____ (B) the transfer of the Warrants is being made in reliance on Rule 904 of Regulation S under the U.S. Securities Act, and certifies that:

(1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor";

(2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) neither the seller nor any affiliate of the seller nor any person acting on their behalf engaged in any directed selling efforts in connection with the offer and sale of the Warrants;

(4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Warrants are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act);

(5) the Transferor does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities; and

(6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

DATED this _____ day of _____, 20_____.

Signature of Warrant Holder

Signature Guaranteed

INSTRUCTIONS FOR TRANSFER

Signature of the Warrant Holder must be the signature of the person appearing on the face of this Warrant Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.

The signature on the Transfer Form must be guaranteed by a chartered bank or trust company, or a member firm of an approved signature guarantee medallion program. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The Warrants will only be transferable in accordance with applicable laws. The Warrants and the common shares issuable upon exercise thereof have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be transferred to or for the account or benefit of a U.S. person or any person in the United States without registration under the U.S. Securities Act and applicable state securities laws, or compliance with the requirements of an exemption from registration. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

[End of Appendix "C"]

APPENDIX "D"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Registrar and transfer agent for the shares of iAnthus Capital Holdings, Inc. (the "Issuer")

The undersigned (A) acknowledges that the sale of the_____common shares of the Issuer, as the case may be, in the capital of the Issuer represented by certificate number_____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer (except solely by virtue of being an officer or director of the Issuer) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

_____
Signature of Individual (if Seller is an individual)

_____
Authorized signatory (if Seller is not an individual)

_____
Name of Seller (please print)

_____
Name of authorized signatory (please print)

_____
Official capacity of authorized signatory (print print)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____ (the "Seller") contained in the foregoing Declaration for Removal of Legend, dated _____, 20____, with regard to the sale, for such Seller's account, of _____ common shares (the "Securities") of the Issuer represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

(17) (no offer to sell Securities was made to a person in the United States;

(18) the sale of the Securities was executed in, on or through the facilities of the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(19) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(20) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Issuer shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

Per: _____
Authorized Signatory

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JULY 3, 2018.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUED UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION SUNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (D) IN COMPLIANCE WITH CERTAIN OTHER PROCEDURES SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE 'GOOD DELIVERY,' MAY BE OBTAINED FROM THE CORPORATION OR ITS REPRESENTATIVE UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY JS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT.

NO. CSW - **Warrants**

TO PURCHASE COMMON SHARES OF

MPX Bioceutical Corporation
(incorporated under the *Business Corporations Act* (Ontario))

THIS WARRANT IS NON-TRANSFERABLE

THIS IS TO CERTIFY THAT, for value received, (the **"Holder"),** is entitled to purchase one fully paid and non-assessable common shares (the**"Shares")** of MPX Bioceutical Corporation (the **"Corporation")** for each share purchase warrant (the**"Warrant")** represented hereby, at any time up to 4:00 pm (Toronto time) on March 2, 2023, at an exercise price of CADS0.67 per Share, all upon and subject to the terms and conditions attached hereto.

On March• 2. 2023 this Warrant will expire.

This Warrant may be exercised by delivery of written notice of exercise by the Holder to the Corporation at the offices of the Corporation at*5255* Yonge Street, Suite 701, Toronto, Ontario, M2N 6P4.

This Warrant is being issued pursuant to that Limited Liability Membership Interest and Asset Purchase Agreement dated and effective as of March 2, 2018 by and among Cindy Abbott, William Abbott, Jason Kaplan, Eric Nauhaus, Dan Hayden, Carbon Management, Inc., a Wyoming corporation, Hot Springs Management, Inc., a Wyoming corporation, Pershing Management, Inc., a Wyoming corporation and Rose Garden Holding, LLC, on one hand and COX Life Sciences, Inc., on the other hand (the "**Agreement**"**).** All capitalized terms not otherwise defined herein shall have the meaning ascribed to it in the Agreement.

IN WITNESS WHEREOF the Corporation has caused this Warrant to be executed by an authorized officer.

DATED on March 2, 2018.

MPX BIOCEUTICAL CORPORATION

TERMS AND CONDITIONS. This Warrant is issued subject to the terms and conditions for the time being governing the holding of Warrant in the Corporation.

A copy of the Terms and Conditions is attached hereto.

SUBSCRIPTION FORM

(one warrant is required to subscribe for each common share)

TO: MPX BIOCEUTICAL
CORPORATION *5255* YONGE
STREET, SUITE 701 TORONTO,
ONTARIO
M2N6P4

ATTN: PRESIDENT

The holder of this Warrant subscribes for _____ Shares of MPX Bioceutical Corporation. at a price of CAD$0.67 per Share if exercised on or before 4:00 p.m. (Toronto time) on March 2, 2023 (after which this Warrant expires), according to the conditions hereof and herewith makes payment of the purchase price in full for this number of Shares.

The undersigned represents, warrants and certifies as follows (one of the following must be checked):

(a) _____ the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a "U.S. person" as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and is not exercising the Warrant on behalf of. or for the account or benefit of a U.S. person or person in the United States and did not execute or deliver this exercise form in the United States; OR

(b) _____ the undersigned holder has delivered to the Corporation and the Corporation's transfer agent an opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Corporation) or such other evidence satisfactory to the Corporation to the effect that with respect to the securities to be delivered upon exercise of this Warrant, the issuance of such securities have been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available; OR

(c) _____ is the original subscriber of the Warrants and (i) at the time of acquiring the Warrant and also at the time of exercise of the Warrant, is (A) an "accredited investor," as such term is defined in Rule 501 of Regulation D under the U.S. Securities Act, exercising the Warrant for its own account or the account of an "accredited investor" over which it exercises sole investment discretion, or (B) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares and has had the opportunity to ask questions and receive answers concerning the Corporation and has had access to such information concerning the Corporation as the undersigned deemed necessary or appropriate in connection with its investment decision to accept the **Shares** for the purposes described herein, (ii) has had access to such current public information concerning the Corporation as it considered necessary in connection with its investment decision, (iii) understands that the Shares have not been registered under the U.S. Securities Act and (iv) agrees to the restrictions on transfer and resale more fully described in the Warrant Certificate.

"United States" and "U.S. person" are as defined by Regulation Sunder the U.S. Securities Act.

The undersigned holder understands that unless Box (A) above is checked, the certificate representing the Common Shares issued upon exercise of the Warrant will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. A share certificate bearing such a legend may not be considered to be good delivery under the Policies of the Canadian Securities Exchange.

The undersigned hereby directs that the Shares hereby subscribed for be issued and delivered as follows:

Name(s) in Full	**Addresses**	**Number of Shares**

(Please print full names in which share certificates are to be issued, stating whether Mr., Mrs., Miss or Ms. If any of the shares are to be issued to a person or persons other than the bearer, the bearer must pay to the Corporation all requisite transfer taxes and/or fees.)

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED _____

Witness

Signature of Warrant Holder

Please print below your name and address in full.

Mr. /Mrs./ Miss / Ms.

Address

TERMS AND CONDITIONS

attaching to **this Warrant**
issued by MPX Bioceutical Corporation
On March 2, 2018

I. **INTERPRETATION**

1.1 Definitions

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

(a) "Business Day" means any day that is not a Saturday, Sunday or statutory holiday in Toronto, Ontario;

(b) "Closing Date" means March 2, 2018.

(c) "Corporation" means MPX Bioceutical Corporation (formerly The Canadian Bioceutical Corporation) until a successor corporation becomes such and thereafter "Corporation" will **mean** such successor corporation;

(d) "Corporation's Auditor" means an independent firm of accountants duly appointed as auditor of the Corporation;

(e) "Director" means a Director of the Corporation for the time being, and reference, without more, to action by the Directors means action by the Directors of the Corporation as a Board, or whenever duly empowered, action by an executive committee of the Board;

(f) "Exchange" means the Canadian Securities Exchange;

(g) "herein", "hereby", "hereof" and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time; and the expression '"Section" and "Subsection" followed by a number refer to the specified Section or Subsection of these Terms and Conditions;

(h) "person" means an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons have a similar meaning;

(i) "Shares" means the common shares in the capital of the Corporation as constituted at the date hereof and any shares resulting from any subdivision or consolidation of the shares;

(0) "Warrant Holder" or "Holder" means the holder of this Warrant;

(k) "Warrant" means this Warrant of the Corporation issued and presently authorized, as set out in Subsection 2.1 hereof and for the time being outstanding;

(I) words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.2 Interpretation not Affected by Headings

The division of these Terms and Conditions into sections and subsections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation thereof.

1.3 Applicable Law

This Warrant will be construed in accordance with the laws of Ontario and the laws of Canada applicable thereto and will be treated in all respects as an Ontario contract.

2. **ISSUE OF WARRANTS**

2.1 Issue of Warrants

This Warrant entitling the holders thereof to purchase an aggregate of 30,000 Shares is authorized to be issued by the Corporation.

2.2 Warrant Holder not a Shareholder

The holding of this Warrant will not constitute the holder thereof a shareholder of the Corporation, nor entitle him, her or it to any right or interest in respect thereof except as in this Warrant expressly provided.

2.3 Exchange of Warrant

(a) With the approval of the Holder, this Warrant in any authorized denomination may, upon compliance with the reasonable requirements of the Corporation, be exchanged for Warrants in any other authorized denomination, of the same series and date of expiry entitling the holder thereof to purchase any equal aggregate number of Shares at the same subscription price and on the same terms as this Warrant so exchanged.

(b) This Warrant may be exchanged only at the office of the Corporation. Any Warrant tendered for exchange will be surrendered to the Corporation and cancelled.

2.4 Charges for Exchange

On exchange of this Warrant, the Corporation except as otherwise herein provided, may charge a sum not exceeding $10.00 for each new Warrant certificate issued; and payment of such charges and of any transfer taxes or governmental or other charges required to be paid will be made by the party requesting such exchange.

2.5 Issue in Substitution for Lost Warrant

(a) Subject to Section 2.S(b), in case this Warrant becomes mutilated, lost, destroyed or stolen, the Corporation will issue and deliver a new Warrant of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for and in place of and upon cancellation of such mutilated Warrant, or in lieu of, and in substitution for such lost, destroyed or stolen Warrant and the substituted Warrant will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants **issued** or to be issued by the Corporation.

(b) The applicant for the issue of a new Warrant pursuant hereto will bear the cost of the issue thereof and in case of loss, destruction or theft will furnish to the Corporation such evidence of ownership and of loss, destruction, or theft of the Warrant so lost, destroyed or stolen as will be satisfactory to the Corporation in its reasonable discretion and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Corporation in its reasonable discretion, and will pay the reasonable charges of the Corporation in connection therewith.

3. **OWNERSHIP**

3.1 Ownership of Warrants

The Corporation may deem and treat the holder of any Warrant as the absolute owner of such Warrant, for all purposes, and will not be affected by any notice or knowledge to the contrary. The holder of any Warrant will be entitled to the rights evidenced by such Warrant and all persons may act accordingly and the receipt of any such holder for the Shares purchasable pursuant thereto will be a good discharge to the Corporation for the same and the Corporation will not be bound to enquire into the title of any such holder. This Warrant will be non-transferable, except upon the death of any Holder, who is a natural person, in which case this Warrant may transfer to the Holders heirs, successors and/or assigns.

3.2 Notice to Warrant Holders

Unless herein otherwise expressly provided, any notice to be given hereunder to Warrant Holders will be provided directly to the holder thereof at the most recent address provided to the Corporation.

4. **EXERCISE OF WARRANTS**

4.1 Method of Exercise of Warrants

The right to purchase Shares conferred by this Warrant may be exercised by the holder of any such Warrants surrendering this Warrant, with a duly completed and executed subscription in the form appended thereto and cash or a certified cheque payable to or to the order of the Corporation, for the purchase price applicable at the time of surrender in respect of the Shares subscribed for in lawful money of Canada to the Corporation's office at 5255 Yonge Street, Suite 701, Toronto, Ontario, M2N 6P4, Attn: President. **Notwithstanding anything else written herein, the Warrant Holder shall submit and**ensure the mandatory clearance of its PIF with the Exchange In the event that any Warrant Holder becomes an Insider in relation to the exercise of a Warrant (or for any other reason required by the **Exchange).**

4.2 Effect of Exercise of Warrants

(a) Upon surrender and payment as aforesaid the Shares so subscribed for will be deemed to have been issued and such person or persons will be deemed to have become the holder or holders of record of such Shares on the date of such surrender and payment, and such Shares will be issued at the subscription price in effect on the date of such surrender and payment.

(b) Within five (5) business days after surrender and payment as aforesaid, the Corporation will forthwith cause to be delivered to the person or persons in whose name or names the Shares so subscribed for are *to* be issued as specified in such subscription or mailed to him or them at his or their respective addresses specified in such subscription, a certificate or certificates for the appropriate number of Shares not exceeding those which the Warrant Holder is entitled to purchase pursuant to this Warrant surrendered.

4.3 Subscription for Less Than Entitlement

The holder of any Warrant may subscribe for and purchase a number of Shares less than the number which he is entitled to purchase pursuant to the surrendered Warrant. In the event of any purchase of a number of Shares less than the number which can be purchased pursuant to a Warrant, the holder thereof upon exercise thereof will in addition be entitled to receive a new Warrant in respect of the balance of the Shares which he was entitled to purchase pursuant to the surrendered Warrant and which were not then purchased.

4.4 Warrant for Fractions of Shares

To the extent that the holder of any Warrant is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant or other Warrant which in the aggregate entitle the holder to receive a whole number of such Shares.

4.5 Expiration of Warrants

The Warrant is exercisable until 4:00 p.m. (Toronto time) on March 2, 2023. After the expiration of the period within which a Warrant is exercisable, all rights thereunder will wholly cease and terminate and such Warrant will be void and of no effect.

4.6 Exercise Price and Expiry Date

The price per Share which must be paid to exercise a Warrant is CAD$0.67 per Share until 4:00 pm (Toronto time) on March 2, 2023.

4.7 Adjustment of Exercise Price

The exercise price and the number of Shares deliverable upon the exercise of this Warrant will be subject to adjustment in the events and in the manner following:

(a) if after the Closing Date and whenever the Shares at any time outstanding are subdivided into a greater or consolidated into a lesser number of Shares, the exercise price will be decreased or increased proportionately as the case may be; upon any such subdivision or consolidation the number of Shares deliverable upon the exercise of this Warrant will be increased or decreased proportionately as the case may be;

(b) in case of any capital reorganization or of any reclassification of the capital of the Corporation or in case of the consolidation, merger or amalgamation of the Corporation with or into any other companies, in either case after the Closing Date, each Warrant will, after such capital reorganization, reclassification of capital, consolidation, merger or amalgamation, confer the right to the Holder to ultimately exercise the Warrant as to the number of Shares or other securities or property of the Corporation or of the Corporation resulting from such capital reorganization, reclassification, consolidation, merger or amalgamation, as the case may be, to which the holder of the Shares deliverable at the time of such capital reorganization, reclassification of capital, consolidation, merger or amalgamation, would have received had all Warrants been exercised by the Holder immediately prior to such capital reorganization, reclassification, consolidation, merger or amalgamation and in any such case, if necessary, appropriate adjustments will be made in the application of the provisions set forth in this Section 4 with respect to the rights and interest thereafter of the holders of this Warrant to the end that the provisions set forth in this Section 4 will thereafter correspondingly be **made** applicable as nearly as may reasonably be in relation to any Shares or other securities or property thereafter deliverable on the exercise of this Warrant. The subdivision or consolidation of Shares at any time outstanding into a greater or lesser number of Shares (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Corporation for the purposes of this Subsection (b) but shall be subject to Subsection (a) above;

(c) the adjustments provided for in this Subsection in the subscription rights pursuant to this Warrant are cumulative.

4.8 Determination of Adjustments

If any question will at any time arise with respect to the exercise price, such question will be conclusively determined by an independent firm of chartered accountants mutually agreed to in writing between the Corporation and the Warrant Holders and such determined will be binding upon the Corporation and the Warrant Holders. Such independent firm of chartered accountants will have access to all appropriate records.

5. **COVENANTS BY THE CORPORATION**

The Corporation will reserve and there will remain unissued out of its authorized capital a sufficient number of Shares to satisfy the rights of purchase provided for herein and in this Warrant should the holders of all this Warrant from time to time outstanding determine to exercise such rights in respect of all Shares which they are or may be entitled to purchase pursuant thereto. This Warrant and an Shares are and will be validly issued by the Corporation to the Holder at the time of such issuance, and all such Shares issued to Holder will be free and clear of all Liens and fully paid and non-assessable at the time of such issuance.

The Corporation shall **give** the holder at least thirty (30) days' written notice prior to any consolidation, amalgamation or **merger** of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety, in order to allow the Holder to exercise its right to purchase Shares hereunder and participate in such consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety.

6. **WAIVER OF CERTAIN RIGHTS**

6.1 Immunity of Shareholders, etc.

The Warrant Holder hereby waives and releases any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholder, director or officer (as such) of the Corporation for the issuance of Shares pursuant to any Warrant or on any covenant, agreement, representation or warranty by the Corporation herein contained.

7. **MODIFICATION OF TERMS, MERGER, SUCCESSORS**

7.1 Modification of Terms and Conditions for Certain Purposes

From time to time the Corporation, may, subject to the provisions of these presents, and it will, when so directed by these presents, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) making such provisions not inconsistent herewith for the purpose of obtaining a listing or quotation of this Warrant on any stock exchange or house; 1

(b) making provision for the exchange of Warrants of different denominations, and making any modification in the form of this Warrant, in each case which are consistent with the terms hereunder and which do not affect the substance thereof;

(c) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(d) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Corporation herein and in this Warrant contained as provided hereafter in this Article.

However, notwithstanding the above-written provisions of this section 7.1, no changes or modifications shall be made to the commercial terms of the Warrants, or in any manner which adversely affects the Holder, without the express prior written consent of the Warrant Holder.

7.2 Corporation May Consolidate, etc. on Certain Terms

Nothing herein contained will prevent any consolidation, amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety, for fair value to any corporation lawfully entitled to acquire and operate the same; provided however that the corporation formed by such consolidation or into which such merger will have been made will be a corporation organized and existing under the laws of Canada or of the United States of America or any province, state, district or territory thereof. and will, simultaneously with such consolidation, amalgamation or merger, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.

7.3 Successor Corporation Substituted

In case the Corporation will be consolidated, amalgamated or merged with or into any other corporation or corporations, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation will have been merged, will succeed to and be substituted for the Corporation hereunder. Such changes in phraseology and form (but not in substance) may be made in this Warrant as may be appropriate in view of such consolidation, amalgamation or merger.

7.4 Additional Financing

Nothing herein contained will prevent the Corporation from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Corporation may deem appropriate.

7.5 Currency

All references to currency herein shall be in Canadian dollars.

7.6 Time

Time shall be of the essence hereof.

8. **RESALE RESTRICTIONS, LEGENDING OF CERTIFICATES**

All certificates representing Shares issued on or before July 3, 2018 shall bear the following legends:

> "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER Of THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JULY 3, 2018."

The Warrants represented by this certificate and the Shares issuable upon the exercise hereof have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The Warrants represented by this certificate may not be exercised by a U.S. Person or person within the United States (as defined in Regulation S of the U.S. Securities Act) or on behalf of any such person, unless registered under the U.S. Securities Act or unless an exemption from such registration is available. The holder, if a U.S. Person, acknowledges that in addition to the legends set out in paragraph 16(1) above, the Shares issuable upon exercise of the Warrants represented shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY (WARRANTS WILL INCLUDE: AND THE SECURITIES ISSUED UPON EXERCISE OF THESE WARRANTS) HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE ACT, (C) INSIDE THE UNITED STATES (I) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE ACT OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE ACT, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (3) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE ACT OR APPLICABLE STATE SECURITIES LAWS, OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR EXEMPTION UNDER THE ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE 'GOOD DELIVERY,' MAY BE OBTAINED FROM THE CORPORATION OR ITS REPRESENTATIVE UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.

Exhibit 10.13

Number of Warrants: Warrant Certificate No.

MPX BIOCEUTICAL CORPORATION

(A corporation existing under the laws of Ontario)

This is to certify that, for value received, (the "**Holder**"), shall have the right to purchase from **MPX BIOCEUTICAL CORPORATION** (the "**Corporation**"), Units of the Corporation (each, a "**Unit**") at an exercise price of CDN$0.74 per Unit (the "**Exercise Price**") upon and subject to the terms and conditions set forth herein, at any time and from time to time up to 5:00 p.m. (Toronto time) on May 25, 2021 (the "**Expiry Time**"). Each Unit comprises of one (1) common share (the "**Common Shares**") in the capital of the Corporation and one-half (1/2) common share purchase warrant of the Corporation (the "**Underlying Warrants**"). Each one (1) Underlying Warrant entitles the holder thereof to purchase one (1) common share of the Corporation (the "**Underlying Warrant Common Shares**") at an exercise price of CDN$1.01 per Underlying Warrant Common Share prior to the Expiry Time.

1. For the purposes of this Warrant Certificate, the term "**common shares**" means common shares without par value in the capital of the Corporation as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Section 8 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, "**common shares**" shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.

2. All Warrant Certificates shall be signed by an officer of the Corporation holding office at the time of signing, or any successor or replacement of such person and notwithstanding any change in any of the persons holding said offices between the time of actual signing and the delivery of the Warrant Certificate, the Warrant Certificate so signed shall be valid and binding upon the Corporation.

3. All rights under any of the Warrants in respect of which the right of subscription and purchase therein provided for shall not theretofore have been exercised shall wholly cease and such Warrants shall be wholly void and of no valid or binding effect after the Expiry Time.

4. The right to purchase Units of the Corporation pursuant to the Warrants may only be exercised by the Holder at or before the Expiry Time by:

(a) duly completing and executing a subscription substantially in the form attached as Schedule "A" (the "**Subscription Form**"), in the manner therein indicated; and

(b) surrendering this Warrant Certificate and the duly completed and executed Subscription Form to the Corporation prior to the Expiry Time at its principal office: Unit 701 - 5255 Yonge Street, North York, Ontario, M2N 6P4, Attention: Chief Financial Officer, together with payment of the purchase price for the Units subscribed for in the form of certified cheque, bank draft or wire payable to the Corporation in an amount equal to the then applicable Exercise Price multiplied by the number of Units subscribed for.

5. Upon delivery and payment as set forth in Section 4 herein, the Corporation shall cause to be issued to the Holder the number of Units subscribed for by the Holder upon exercise of such Warrants and thereafter the Holder shall become a shareholder of the Corporation in respect of the Common Shares issued under such Warrants with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate or certificates evidencing the Common Shares and Underlying Warrants issuable in connection therewith. The Corporation shall cause such certificate or certificates to be mailed to the Holder at the address or addresses specified in the Subscription Form within five (5) business days of such delivery and payment as set forth in Section 4 herein or, if so instructed by the Holder, held for pick-up by the Holder at the principal office of the Corporation. Notwithstanding any adjustment provided for in Section 8 herein, the Corporation shall not be required upon the exercise of any Warrants to issue fractional Units in satisfaction of its obligations hereunder and the Holder understands and agrees that it will not be entitled to any cash payment or other form of compensation in respect of a fractional Unit that might otherwise have been issued.

6. The holding of a Warrant shall not constitute the Holder a shareholder of the Corporation nor entitle him to any right or interest in respect thereof except as herein expressly provided.

7. The Corporation covenants and agrees that until the Expiry Time, while any of the Warrants shall be outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of common shares to satisfy the right of purchase herein or pursuant to any Underlying Warrants provided, as such right of purchase may be adjusted pursuant to Sections 8 and 9 herein.

8. For the purpose of this Section 8, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor:

"**Adjustment Period**" means the period from the date hereof to and including the Expiry Time;

"**Current Market Price**" of the common shares of the Corporation at any date means the volume weighted average of the trading price per common share for such common shares for each day there was a closing price for the fifteen (15) consecutive Trading Days ending five (5) days prior to such date on the CSE or if on such date the common shares are not listed on the CSE, on such stock exchange upon which such common shares are listed and as selected by the directors, or, if such common shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors of the Corporation;

"**CSE**" means the Canadian Securities Exchange;

"**director**" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by the executive committee of such board;

"**Exchange Rate**" means the number of Units subject to the right of purchase under each Warrant;

"**Trading Day**" means, with respect to the CSE (or such other recognized stock exchange on which the common shares are then listed) a day on which such exchange is open for the transaction of business or, with respect to another exchange or an over-the-counter market, a day on which such exchange or market is open for the transaction of business; and

"**Warrant Agent**" means Odyssey Trust Company, in its capacity as warrant agent of the Warrants, or its successors from time to time.

The subscription rights in effect under the Warrants for common shares issuable upon the exercise of the Warrants shall be subject to adjustment, from time to time, as follows:

(a) if, at any time during the Adjustment Period, the Corporation shall:

(i) subdivide, re-divide or change its outstanding common shares into a greater number of common shares;

(ii) reduce, combine or consolidate its outstanding common shares into a lesser number of common shares; or

(iii) issue common shares or securities exchangeable for, or convertible into, common shares to all or substantially all of the holders of common shares by way of stock dividend or other distribution (other than a distribution of common shares upon the exercise of Warrants or any outstanding options);

(any of such events in being called a "**Common Share Reorganization**"), then the Exercise Price shall be adjusted as of the effective date or record date of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding common shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding common shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of common shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of common shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into common shares are distributed, the number of common share that would have been outstanding had such securities been exchanged for or converted into common shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 8(a) shall occur. Upon any adjustment of the Exercise Price pursuant to Section 8(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of common shares theretofore obtainable on the exercise thereof by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever, at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding common shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase common shares (or securities convertible or exchangeable into common shares) at a price per common share (or having a conversion or exchange price per common share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of common shares outstanding on such record date plus a number of common shares equal to the number arrived at by dividing the aggregate price of the total number of additional common shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of common shares outstanding on such record date plus the total number of additional common shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any common shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of common shares (or securities convertible or exchangeable into common shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 8(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that, if two or more such record dates or record dates referred to in this Section 8(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding common shares of: (i) securities of any class, whether of the Corporation or any other trust (other than common shares); (ii) rights, options or warrants to subscribe for or purchase common shares (or other securities convertible into or exchangeable for common shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness; or (iv) any property or other assets, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of common shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), subject to any required stock exchange approval, of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the common shares, and of which the denominator shall be the total number of common shares outstanding on such record date multiplied by the Current Market Price; and common shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 8(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) in any case in which this Section 8 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional common shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional common shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional common shares declared in favour of holders of record of common shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this Section 8(d), have become the holder of record of such additional common shares pursuant to Section 8;

(e) in any case in which Section 8(a)(iii), Section 8(b) or Section 8(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 8(a)(iii), Section 8(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 8(c), as the case may be, in such kind and number as they would have received if they had been holders of common shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into common shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(f) the adjustments provided for in this Section 8 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 8, provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments that, by reason of this Section 8(f), are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(g) after any adjustment pursuant to this Section 8, the term "**common shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 8, the Holder is entitled to receive upon the exercise of his Warrant, and the number of common shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of common shares or other property or securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 8, upon the full exercise of a Warrant.

9. The following rules and procedures shall be applicable to the adjustments made pursuant to Section 8 herein:

(a) any common shares owned or held by or for the account of the Corporation shall be deemed not to be outstanding except that, for the purposes of Section 8 herein, any common shares owned by a pension plan or profit sharing plan for employees of the Corporation or any of its subsidiaries shall not be considered to be owned or held by or for the account of the Corporation;

(b) in the absence of a resolution of the board of directors of the Corporation fixing a record date for any dividend or distribution referred to in Section 8(b)(iii) herein, the Corporation shall be deemed to have fixed as the record date therefor the date on which such dividend or distribution is effected;

(c) if the Corporation sets a record date to take any action and thereafter and before the taking of such action abandons its plan to take such action, then no adjustment to the Exercise Price will be required by reason of the setting of such record date;

(d) as a condition precedent to the taking of any action which would require any adjustment to the Warrants evidenced hereby, including the Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation shall have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all of the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof;

(e) forthwith, but no later than fourteen (14) days, after any adjustment to the Exercise Price or the number of Units purchasable pursuant to the Warrants, the Corporation shall provide to the Holder a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, describing the event requiring and the manner of computing or determining such adjustment;

(f) any question that at any time or from time to time arises with respect to the amount of any adjustment to the Exercise Price or other adjustment pursuant to Section 8 herein shall be conclusively determined by a firm of independent chartered accountants (who may be the Corporation's auditors) and shall be binding upon the Corporation and the Holder;

(g) any adjustment to the Exercise Price under the terms of this Warrant Certificate shall be subject to the prior approval of any stock exchange or quotation system on which the common shares are then listed and posted (or quoted) for trading, as applicable; and

(h) in case the Corporation, after the date of issue of this Warrant Certificate, takes any action affecting the common shares, other than an action described in Section 8 herein, which in the opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval, including approval of any stock exchange or quotation system on which the common shares are then listed and posted (or quoted) for trading, as applicable. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the common shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

10. On the happening of each and every such event set out in Section 8 herein, the applicable provisions of this Warrant Certificate, including the Exercise Price, shall,*ipso facto*, be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended.

11. The Corporation shall not be required to deliver certificates for common shares while the share transfer books of the Corporation are properly closed, having regard to the provisions of Sections 8 and 9 herein, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Units called for thereby during any such period, delivery of certificates for Common Shares or Underlying Warrants may be postponed for not more than five (5) business days after the date of the re-opening of said share transfer books; provided, however, that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder so surrendering the same and making payment during such period to receive after the share transfer books shall have been re-opened such certificates for the Common Shares or Underlying Warrants called for, as the same may be adjusted pursuant to Sections 8 and 9 herein as a result of the completion of the event in respect of which the transfer books were closed.

12. All or any of the rights conferred upon the Holder by the terms hereof may be enforced by the Holder by appropriate legal proceedings. No recourse under or upon any obligation, covenant or agreement contained herein shall be had against any shareholder or officer of the Corporation either directly or through the Corporation, it being expressly agreed and declared that the obligations under the Warrants are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the shareholders or officers of the Corporation or any of them in respect thereof, any and all rights and claims against every such shareholder, officer or director being hereby expressly waived as a condition of and as a consideration for the issue of the Warrants.

13. The Holder may subscribe for and purchase any lesser number of Units than the number of Units expressed in any Warrant Certificate. In the case of any subscription for a lesser number of Units than expressed in any Warrant Certificate, the Holder hereof shall be entitled to receive, at no cost to the Holder, a new Warrant Certificate in respect of the balance of Warrants not then exercised. Such new Warrant Certificate shall be mailed to the Holder by the Corporation or, at its direction, the transfer agent of the Corporation, contemporaneously with the mailing of the certificate or certificates representing the Common Shares or Underlying Warrants issued pursuant to Section 5 herein.

14. If any Warrant Certificate becomes stolen, lost, mutilated or destroyed, the Corporation shall, on such terms as it may in its discretion impose, acting reasonably, issue and sign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost, mutilated or destroyed for delivery to the Holder. The applicant for the issue of a new Warrant Certificate pursuant to this Section shall bear the cost of the issue thereof and in the case of mutilation shall as a condition precedent to the issue thereof, deliver to the Corporation the mutilated Warrant Certificate, and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as an indemnity and surety bond in amount and form satisfactory to the Corporation in its discretion and shall pay the reasonable charges of the Corporation in connection therewith.

15. The Corporation will maintain a register of holders of Warrants at its principal office. The Corporation may deem and treat the registered holder of any Warrant Certificate as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. A Holder shall be entitled to the rights evidenced by such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Holder of the Units purchasable pursuant to such Warrant shall be a good discharge to the Corporation for the same and the Corporation shall not be bound to inquire into the title of any such Holder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

16. The Corporation shall notify the Holder forthwith of any change of the Corporation's address.

17. All notices to be sent hereunder shall be deemed to be validly given to the registered holders of the Warrants if delivered personally or if sent by registered letter through the post addressed to such holders at their post office addresses appearing in the register of Warrant holders caused to be maintained by the Corporation, and such notice shall be deemed to have been given, if delivered personally when so delivered, and if sent by post on the fifth business day next following the post thereof.

18. If for any reason, other than the failure or default of the Holder, the Corporation is unable to issue and deliver the Common Shares, Underlying Warrants or other securities as contemplated herein to the Holder upon the proper exercise by the Holder of the right to purchase any of the Units purchasable upon exercise of the Warrants represented hereby, the Corporation may pay, at its option and in complete satisfaction of its obligations and the rights of the Holder hereunder, to the Holder, in cash, an amount equal to the difference between the Exercise Price and the Current Market Price of such common shares or other securities on the date of exercise by the Holder, and upon such payment the Corporation shall have no liability or other obligation to the Holder relating to or in respect of the Warrants or this Warrant Certificate.

19. This Warrant Certificate shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

20. All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

21. This Warrant Certificate shall inure to the benefit of and shall be binding upon the Holder and the Corporation and their respective successors and assigns.

22. Notwithstanding anything in this Warrant Certificate, the Warrants shall be non-assignable and non-transferable without the prior written consent of the Corporation (in its sole and absolute discretion).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer.

DATED as of the 20th day of December, 2018.

MPX BIOCEUTICAL CORPORATION

Per: Name: W. Scott Boyes
Title: Chairman, President and CEO
I have authority to bind the Corporation

Schedule "A"

SUBSCRIPTION FORM

TO BE COMPLETED IF WARRANTS ARE TO BE EXERCISED:

TO: **MPX BIOCEUTICAL CORPORATION**
Unit 701, 5255 Yonge Street
North York, Ontario,
M2N 6P4

Attention: Chief Financial Officer

The undersigned hereby subscribes for _____ Units of MPX Bioceutical Corporation according to the terms and conditions set forth in the annexed Warrant Certificate (or such number of other securities or property to which such Warrant Certificate entitles the undersigned to acquire under the terms and conditions set forth in such Warrant Certificate).

Address for Delivery of Units: _____

Attention: _____

Exercise Price Tendered (Cdn$.074 per Unit or as adjusted) $_____

Dated at _____, this _____ day of _____, 20_____.

WITNESS:

Holder's Name

Authorized Signature

Title (if applicable)

Signature guaranteed[1]:

1. If the Units are to be registered in a name other than the name of the registered Warrant Holder, the signature of the Warrant Holder must be medallion guaranteed by a bank, trust company or a member of a stock exchange in Canada.

Exhibit 10.14

WARRANT TO PURCHASE COMMON SHARES OF

MPX BIOCEUTICAL CORPORATION
(existing under the laws of Ontario)

Warrant Certificate Number: Number of Warrants:

THIS CERTIFIES THAT, for value received, **.** (the **"Holder"),** , being the registered holder of this warrant **("Warrant")** is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the **"Warrant Shares")** of MPX Bioceutical Corporation (the **"Company")** set forth above on the basis of one Warrant Share at a price of $0.84 (the **"Exercise Price")** for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 701 - 5255 Yonge Street, Toronto, ON M2N 6P4, this Warrant certificate (the **"Warrant Certificate"),** with a completed and executed Subscription Form attached hereto as Schedule "A", and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

Nothing contained herein shall confer any right upon the Holder to subscribe for or purchase any Warrant Shares at any time after the Expiry Time, and from and after the Expiry Time these Warrants and all rights hereunder shall be void and of no value.

1. Definitions: In this Warrant Certificate, including the preamble, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings, namely:

   (a) **"Adjustment Period"** means the period commencing on the date hereof and ending at the Expiry Time;

   (b) **"Business Day"** means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

   (c) **"Common Shares"** means the common shares of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 12 hereof;

   (d) **"Company"** means MPX Bioceutical Corporation, a company incorporated under the of the Province of Ontario and its successors and assigns;

   (e) **"Current Market Price"** at any date shall be the weighted average trading price per Common Share for each day there was a closing price for the 20 consecutive trading days ending five trading days immediately before such date on any stock exchange on which the Common Shares may then be listed, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, the Current Market Price shall be determined by the directors, acting reasonably and in good faith, which determination shall be conclusive;

(f) **"Dividends Paid in the Ordinary Course"** means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:

(i) 150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and

(ii) 100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);

(g) **"Exercise Price"** means $0.84 per Warrant Share, subject to adjustment in accordance with Section 12 hereof;

(h) **"Expiry Day"** means the date which is five (5) years from the date hereof;

(i) **"Expiry lime"** means 5:00 p.m. (Toronto time) on the Expiry Day;

(j) **"Holder"** shall have the meaning ascribed thereto on the face page hereof;

(k) **"person"** means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative, or any group or combination thereof or any other entity whatsoever;

(I) **"U.S. Person"** means U.S. person as that term is defined in Regulation S adopted by the United States Securities Exchange Commission under the U.S. Securities Act;

(m) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended;

(n) **"Warrant"** means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time; and

(o) **"Warrant Share"** means the Common Shares issuable upon the exercise of the Warrants.

2. **Expiry lime:** At the Expiry Time, all rights under the Warrants evidenced hereby, shall expire and be of no further force and effect.

3. **Exercise Procedure:**

(a) The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein (or to such other address as the Company may notify the Holder).

(b) Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for, if permitted by applicable law, with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable.

(c) This Warrant may not be exercised in the United States or by or on behalf of a U.S. Person unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder of this Warrant has furnished an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.

4. **Partial Exercise:** The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any sue h subscription prior to the Expiry Time, the Holder shall be entitled to receive, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.

5. **No Fractional Shares:** Notwithstanding any adjustments provided for in Section 12 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number.

6. **Exchange of Warrant Certificates:** This Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate.

7. **Transfer of Warrants:** Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto as Schedule "B". No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five Business Days of such delivery, a new Warrant Certificate registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

8. **Not a Shareholder:** Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

9. **No Obligation to Purchase:** Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

10. **Ranking of Warrants:** All Warrants of the Company *shall rank pari passu,* notwithstanding the actual date of the issue thereof.

11. **Covenants:**

(a) The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein providED to be issued and delivered as directed, and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

(b) The Company covenants and agrees that until the Expiry Time, while the Warrants (or remaining portion thereof) shall be outstanding, it shall use its best efforts to preserve and maintain its corporate existence.

(c) The Company shall use its commercially reasonable efforts to ensure the Warrant Shares are listed and posted for trading on such stock exchange as the Common Shares may be listed at the time of exercise of the Warrants, as applicable.

12. **Adjustments:**

(a) Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section. The purpose and intent of the adjustments provided for in this Section is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (b), (c) or (d) of this Section. Accordingly, the provisions of this Section shall be interpreted and applied in accordance with such purpose and intent.

(b) The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

(i) Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs Emily and 12(b)(ii) hereof.

(ii) Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(ii) are fixed within a period of 25 Business Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

(iii) Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than rights, options or warrants exercisable by the holders thereof within a period expiring not more than 45 days after the record date for such issue or distribution to acquire Common Shares or securities exchangeable for or convertible into Common Shares at a price per share, or at an exchange or conversion price per share in the case of securities exchangeable for or convertible into Common Shares, of at least 95% of the Current Market Price of the Co1mnon Shares on such record date), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 12(b)(iii) are fixed within a period of 25 Business Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

(c) Reclassifications: If and whenever at any time during the Adjustment Period, there is (A) any reclassification of or amendment to the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company (other than as described in subsection 12(b) hereof), (B) any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Company, or (C) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity, then, in each such event, the Holder of this Warrant which is thereafter exercised shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which such Holder was theretofore entitled upon such exercise, the kind and number or amount of shares or other securities or property which such Holder would have been entitled to receive as a result of such event if, on the effective date thereof, such Holder had been the registered holder of the number of Common Shares to which such Holder was theretofore entitled upon such exercise. If necessary as a result of any such event, appropriate adjustments will be made in the application of the provisions set forth in this subsection with respect to the rights and interests thereafter of the Holder of this Warrant Certificate to the end that the provisions set forth in this subsection will thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant. Any such adjustments will be made by and set forth in an instrument supplemental hereto approved by the directors, acting reasonably, and shall for all purposes be conclusively deemed to be an appropriate adjustment.

(d) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 12(b) or 12(c) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

13. **Rules Regarding Calculation of Adjustment of Exercise Price:**

(a) The adjustments provided for in Section 12 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 13.

(b) No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

(c) No adjustment in the Exercise Price will be made in respect of any event described in Section 12, other than the events referred to in clauses 12(l)(c), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis,* as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

(d) No adjustment in the Exercise Price will be made under Section 12 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend, and any such issue will be deemed not to be a reorganization.

(e) If at any time a question or dispute arises with respect to adjustments provided for in Section 12, such question or dispute will be conclusively determined by the accountants of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants that is a participant of the Canadian Public Accountability Board, as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with reasonable access to all relevant records of the Company.

(f) In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 12, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to the prior written consent of any stock exchange upon which the Warrant Share may be listed, where required, and any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

(g) If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price and/or the number of Common Shares purchasable upon exercise of this Warrant will be required by reason of the setting of such record date.

(h) In the absence of a resolution of the directors of the Company fixing a record date for any event that would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.

(i) As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(j) The Company will from time to time, as soon as practicable after the occurrence of any event which requires an adjustment or readjustment as provided in Section 12, give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.

(k) In any case that an adjustment pursuant to Section 12 shall become effective immediately after a record date for, or an effective date of, an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the Exercise Date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

14. **Consolidation and Amalgamation:**

(a) The Company shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a **"successor corporation")** whether by way of reorganization, reconstruction, consolidation, amalgamation, arrangement, business combination, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Company and the successor corporation shall have executed such instruments and done such things as the Company, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:

(i) the successor corporation will have assumed all the covenants and obligations of the Company under this Warrant Certificate, and

(ii) the Warrant and the terms set forth in this Warrant Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant Certificate, mutatis mutandis.

(b) Whenever the conditions of subsection 14(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Company under this Warrant in the name of the Company or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Company may be done and performed with like force and effect by the like directors or officers of the successor corporation.

15. **Representation and Warranty:** The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

16. **If Share Transfer Books Closed:** The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares c ailed for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding five Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

17. **Lost Certificate:** If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.

18. **Governing Law:** This Warrant Certificate shall be governed by, and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario. The parties hereto hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

19. **Severability:** If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

20. **Amendments:** The provisions of this Warrant Certificate may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least 66 2/3% of the Warrants then outstanding.

21. **Headings:** The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.

22. **Numbering of Articles, etc.:** Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.

23. **Gender:** Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

24. **Day not a Business Day:** In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

25. **Computation of lime Period:** Except to the extent otherwise provided herein, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”.

26. **Binding Effect:** This Warrant Certificate and all of its provisions shall inure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.

27. **Notice:** Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is given personally or sent by email or prepaid same day courier addressed as follows:

    (a) If to the Holder at the latest address of the Holder as recorded on the books of the Company; and

(b) If to the Company at:

MPX Bioceutical Corporation
701- 5255 Yonge Street
Toronto, ON
M2N6P4

Attention: Scott Boyes
Email: scott@mpxbioceutical.com

Notice so mailed shall be deemed to have been given on the fifth Business Day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which applicable postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by email or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be provided that if such day is not a Business Day then the notice, request or other communication shall be deemed to have been given and received on the first Business Day following such day. Any party may from time to time notify the other in the manner provided herein of any change of address which thereafter, until change by like notice, shall be the address of such party for all purposes hereof.

28. **Time of Essence:** Time shall be of the essence hereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this _____ day of June 2018.

MPX BIOCEUTICAL CORPORATION

Signature Page Warrant Certificate

SCHEDULE "A"

SUBSCRIPTION FORM

TO: MPX Bioceutical Corporation
701- 5255 Yonge Street
Toronto, ON
M2N6P4

The undersigned holder of the within Warrant hereby irrevocably subscribes for _____ Warrant Shares of MPX Bioceutical Corporation (the **"Company")** pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for $ _____ ($0.84 per Warrant Share) in full payment therefor.

(Please check the **ONE** box applicable):

☐ A The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Regulation Sunder the United States Securities Act of l933, as amended (the ''U.S. Securities Act"), (iii) is not exercising the Warrant on behalf of a **"U.S.** person"; and (iv) did not execute or deliver this exercise form in the United States.

☐ B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS	NUMBER OF WARRANT SHARES

DATED this ___

NAME: _____

Signature of Authorized Representative: _____

Print Name: _____

Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Notes:

Certificates will not be registered or delivered to an address in the United States unless **Box B** above is checked.

If **Box B** is to be checked, holders are encouraged to consult with the Company in advance to determine that the legal opinion tendered in connection with exercise will be satisfactory in form and substance to the Company.

SCHEDULE "B"

TRANSFER FORM

FOR Value RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

(Transferee)

(Address)

(Social Insurance Number)

_____ of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

1HE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. Person (as defined in Regulation Sunder the United States Securities Act of 1933, as amended (the 'U.S. Securities Act")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, 20_____

Signature of Registered Holder (Transferor)

Signature Guarantee

Print name of Registered Holder

Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If any of the foregoing or any person acting in a fiduciary or representative capacity signs this transfer form, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS WARRANT MUST NOT TRADE THIS WARRANT BEFORE MAY 8, 2019.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS AND, IN THE CASE OF (C)(1) AND (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM THE TRANSFER AGENT AND REGISTRAR OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND REGISTRAR OF THE CORPORATION AND THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.

WARRANT TO PURCHASE COMMON SHARES
OF
MPX BIOCEUTICAL CORPORATION
(existing under the laws of Ontario)

Warrant Certificate Number: Number of Warrants:

THIS CERTIFIES THAT, for value received, (the "**Holder**"), being the registered holder of this warrant ("**Warrant**") is entitled, at any time prior to 5:00 p.m. (Toronto time) on the Expiry Day (as defined below) to subscribe for and purchase the number of common shares (the "**Warrant Shares**") of MPX Bioceutical Corporation (the "**Company**") set forth above on the basis of one Warrant Share at a price of $1.16 CND (the "**Exercise Price**") for each Warrant exercised, subject to adjustment as set out herein, by surrendering to the Company at its principal office, 5255 Yonge Street, Suite 701, Toronto, Ontario M2N 6P4, this Warrant certificate (the " **Warrant Certificate**"), with a completed and executed Subscription Form attached hereto as Schedule "A", and payment in full for the Warrant Shares being purchased.

The Company shall treat the Holder as the absolute owner of this Warrant for all purposes and the Company shall not be affected by any notice or knowledge to the contrary. The Holder shall be entitled to the rights evidenced by this Warrant free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder and all persons may act accordingly and the receipt by the Holder of the Warrant Shares issuable upon exercise hereof shall be a good discharge to the Company and the Company shall not be bound to inquire into the title of any such Holder.

Nothing contained herein shall confer any right upon the Holder to subscribe for or purchase any Warrant Shares at any time after the Expiry Time, and from and after the Expiry Time these Warrants and all rights hereunder shall be void and of no value.

1. Definitions: In this Warrant Certificate, including the preamble, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings, namely:

   (a) "**Adjustment Period**" means the period commencing on the date hereof and ending at the Expiry Time;

   (b) "**Asset Distribution**" shall have the meaning ascribed thereto in Section 12(c);

   (c) "**Asset Distribution Adjustment Date**" shall have the meaning ascribed thereto in Section 12(c);

   (d) "**Business Day**" means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions are closed in Toronto, Ontario;

   (e) "**Common Shares**" means the common shares of the Company as such shares are constituted on the date hereof, as the same may be reorganized, reclassified or otherwise changed pursuant to any of the events set out in Section 11 hereof;

   (f) "**Company**" means MPX Bioceutical Corporation, a company incorporated under the laws of the Province of Ontario and its successors and assigns;

   (g) "**Current Market Price**" at any date shall be the weighted average trading price per Common Share for each day there was a closing price for the twenty (20) consecutive trading days ending five (5) trading days immediately before such date on any stock exchange on which the Common Shares may then be listed, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, the Current Market Price shall be determined by the directors, acting reasonably and in good faith, which determination shall be conclusive;

   (h) "**Dividends Paid in the Ordinary Course**" means dividends paid in any financial year of the Company, whether in (i) cash; (ii) shares of the Company; (iii) warrants or similar rights to purchase any shares of the Company or property or other assets of the Company provided that the value of such dividends does not in such financial year exceed the greater of:

      (i) 150% of the aggregate amount of dividends paid by the Company on the Common Shares in the 12-month period ending immediately prior to the first day of such financial year; and

(ii) 100% of the consolidated net earnings from continuing operations of the Company, before any extraordinary items, for the 12-month period ending immediately prior to the first day of such financial year (such consolidated net earnings from continuing operations to be computed in accordance with generally accepted accounting principles in Canada);

(i) "**Exercise Notice**" means notice given to the Holder by the Company that the Trading Target has been achieved and providing the Holder thirty (30) days in which to exercise Warrants and thereafter the Warrants will expire;

(j) "**Exercise Price**" means $1.16 CND per Warrant Share, subject to adjustment in accordance with Section 11 hereof;

(k) "**Expiry Day**" means the date which is the earlier of: (i) three (3) years from the date hereof; or (ii) the day that is thirty (30) days from the date the Company provides Exercise Notice to the Holder that the Trading Target has been achieved;

(l) "**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;

(m) "**Holder**" shall have the meaning ascribed thereto on the face page hereof;

(n) "**Merger Entity**" shall have the meaning ascribed thereto in Section 12(d);

(o) "**Merger Event**" shall have the meaning ascribed thereto in Section 12(d);

(p) "**person**" means an individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative, or any group or combination thereof or any other entity whatsoever;

(q) "**Trading Day**" means, with respect to the CSE (or such other recognized stock exchange on which the Common Shares are then listed) a day on which such exchange is open for the transaction of business or, with respect to another exchange or an over-the-counter market, a day on which such exchange or market is open for the transaction of business;

(r) "**Trading Target**" means an event in which the Current Market Price is greater than $2.00 per Common Share for any period of twenty (20) consecutive Trading Days;

(s) "**U.S. Person**" means U.S. person as that term is defined in Regulation S adopted by the United States Securities Exchange Commission under the U.S. Securities Act;

(t) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

(u) "**Warrant**" means a warrant exercisable to purchase one Common Share at the Exercise Price until the Expiry Time; and

(v) "**Warrant Share**" means the Common Shares issuable upon the exercise of the Warrants.

2. **Expiry Time:** If the Trading Target is achieved, the Company may, at its sole option, give the Exercise Notice to the Holder at any time during the term of the Warrant. At the Expiry Time, all rights under the Warrants evidenced hereby, shall expire and be of no further force and effect.

3. **Exercise Procedure:**

(a) The Holder may exercise the right to subscribe and purchase the number of Warrant Shares herein provided, by delivering to the Company prior to the Expiry Time at its principal office this Warrant Certificate, with the Subscription Form attached hereto duly completed and executed by the Holder or its legal representative or attorney, duly appointed by an instrument in writing in form and manner satisfactory to the Company, together with a certified cheque or bank draft payable to or to the order of the Company in an amount equal to the aggregate Exercise Price in respect of the Warrants so exercised. Any Warrant Certificate so surrendered shall be deemed to be surrendered only upon delivery thereof to the Company at its principal office set forth herein (or to such other address as the Company may notify the Holder).

(b) Upon such delivery and payment as aforesaid, the Company shall cause to be issued to the Holder hereof the Warrant Shares subscribed for not exceeding those which such Holder is entitled to purchase pursuant to this Warrant Certificate and the Holder hereof shall become a shareholder of the Company in respect of the Warrant Shares subscribed for, if permitted by applicable law, with effect from the date of such delivery and payment and shall be entitled to delivery of a certificate evidencing the Warrant Shares and the Company shall cause such certificates to be mailed to the Holder hereof at the address or addresses specified in such subscription as soon as practicable.

(c) The Holder hereby acknowledges that the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and that the Warrants may not be exercised in the United States or by or on behalf of a U.S. person, nor may the Warrant Shares be offered or sold in the United States, unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws. If the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the U.S. restrictive legend may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation, in substantially the form set forth as Appendix "A" attached hereto (or in such other forms as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation. If the Common Shares are offered and sold in the United States pursuant to an exemption from registration under the U.S. Securities Act, the Holder must furnish an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation to such effect, as applicable.

All certificates representing Common Shares issued to persons who exercise the Warrants pursuant to the Subscription Form will, unless such Common Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES (1) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS IN THE UNITED STATES OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTIONS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM THE TRANSFER AGENT AND REGISTRAR OF THE CORPORATION UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND REGISTRAR OF THE CORPORATION AND THE CORPORATION, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT."

provided, that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, and the Company is at the time of such sale a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act, the legends set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix "A" attached hereto (or in such other forms as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Common Shares, are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Certificates representing Common Shares issued upon the exercise of this Warrant Certificate (and issued in substitution or exchange thereof) prior to the date that is four months and one day after the date hereof shall bear the following legend:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE [INSERT DATE WHICH IS FOUR MONTHS AND A DAY AFTER THE DATE HEREOF].

4. **Partial Exercise:** The Holder may subscribe for and purchase a number of Warrant Shares less than the maximum number the Holder is entitled to purchase pursuant to the full exercise of this Warrant Certificate. In the event of any such subscription prior to the Expiry Time, the Holder shall be entitled to receive, without charge, a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to subscribe for pursuant to this Warrant Certificate and which were then not purchased.

5. **No Fractional Shares:** Notwithstanding any adjustments provided for in Section 11 hereof or otherwise, the Company shall not be required upon the exercise of any Warrants to issue fractional Warrant Shares in satisfaction of its obligations hereunder and, in any such case, the number of Warrant Shares issuable upon the exercise of any Warrants shall be rounded down to the nearest whole number.

6. **Exchange of Warrant Certificates:** This Warrant Certificate may be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the Holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as this Warrant Certificate.

7. **Transfer of Warrants:** Subject to the terms hereof, this Warrant may be transferred, subject to the terms set forth in the Transfer Form attached hereto as Schedule "B". No transfer of this Warrant shall be effective unless this Warrant Certificate is accompanied by a duly executed Transfer Form or other instrument of transfer in such form as the Company may from time to time prescribe, together with such evidence of the genuineness of each endorsement, execution and authorization and of other matters as may reasonably be required by the Company, and delivered to the Company. No transfer of this Warrant shall be made if in the opinion of counsel to the Company such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Company shall issue and mail as soon as practicable, and in any event within five (5) Business Days of such delivery, a new Warrant Certificate registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed.

8. **Not a Shareholder:** Nothing in this Warrant Certificate or in the holding of a Warrant evidenced hereby shall be construed as conferring upon the Holder any right or interest whatsoever as a shareholder of the Company.

9. **No Obligation to Purchase:** Nothing herein contained or done pursuant hereto shall obligate the Holder to subscribe for or the Company to issue any shares except those shares in respect of which the Holder shall have exercised its right to purchase hereunder in the manner provided herein.

10. **Covenants:**

(a) The Company covenants and agrees that so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Warrant Shares to satisfy the right of purchase herein provided for, it will cause the Warrant Shares subscribed for and purchased in the manner herein provided to be issued and delivered as directed, and such Warrant Shares shall be issued as fully paid and non-assessable Common Shares and the holders thereof shall not be liable to the Company or to its creditors in respect thereof.

(b) The Company shall use its commercially reasonable efforts to ensure the Warrant Shares are listed and posted for trading on such stock exchange as the Common Shares may be listed at the time of exercise of the Warrants, as applicable.

11. **Adjustments:**

(a) Adjustment: The rights of the holder of this Warrant, including the number of Warrant Shares issuable upon the exercise of such Warrants, will be adjusted from time to time in the events and in the manner provided in, and in accordance with the provisions of, this Section. The purpose and intent of the adjustments provided for in this Section is to ensure that the rights and obligations of the Holder are neither diminished or enhanced as a result of any of the events set forth in paragraphs (b), (c) or (d) of this Section. Accordingly, the provisions of this Section shall be interpreted and applied in accordance with such purpose and intent.

(b) The Exercise Price in effect at any date will be subject to adjustment from time to time as follows:

(i) Share Reorganization: If and whenever at any time during the Adjustment Period, the Company shall (A) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, (B) consolidate, combine or reduce the outstanding Common Shares into a lesser number of Common Shares, or (C) fix a record date for the issue of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution other than a Dividend Paid in the Ordinary Course, then, in each such event, the Exercise Price shall, on the record date for such event or, if no record date is fixed, the effective date of such event, be adjusted so that it will equal the rate determined by multiplying the Exercise Price in effect immediately prior to such date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such date before giving effect to such event, and of which the denominator shall be the total number of Common Shares outstanding on such date after giving effect to such event. Such adjustment shall be made successively whenever any such event shall occur. Any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for such stock dividend for the purpose of calculating the number of outstanding Common Shares under paragraphs 11(b)(i) and 11(b)(ii) hereof.

(ii) Rights Offering: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares entitling the holders thereof, within a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, then the Exercise Price shall be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(ii) are fixed within a period of 25 Business Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

(iii) Distribution: If and whenever at any time during the Adjustment Period, the Company shall fix a record date for the making of a distribution to all or substantially all of the holders of Common Shares of (A) shares of any class other than Common Shares whether of the Company or any other corporation, (B) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Company (other than rights, options or warrants exercisable by the holders thereof within a period expiring not more than 45 days after the record date for such issue or distribution to acquire Common Shares or securities exchangeable for or convertible into Common Shares at a price per share, or at an exchange or conversion price per share in the case of securities exchangeable for or convertible into Common Shares, of at least 95% of the Current Market Price of the Common Shares on such record date), (C) evidences of indebtedness, or (D) cash, securities or other property or assets then, in each such case and if such distribution does not constitute a Dividend Paid in the Ordinary Course, or fall under clauses (i) or (ii) above, the Exercise Price will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on the earlier of such record date and the date on which the Company announces its intention to make such distribution, less the aggregate fair market value (as determined by the directors, acting reasonably, at the time such distribution is authorized) of such shares or rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. Any Common Shares owned by or held for the account of the Company or any subsidiary of the Company shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this paragraph 11(b)(iii) are fixed within a period of 25 Business Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates. To the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect based upon such rights, options or warrants or evidences of indebtedness or cash, securities or other property or assets actually distributed or based upon the number or amount of securities or the property or assets actually issued or distributed upon the exercise of such rights, options or warrants, as the case may be.

(c) Asset Distribution: If and whenever at any time during the Adjustment Period, there is a distribution, spin-off or other conveyance of property or other assets of the Company in connection with a Merger Event (an "**Asset Distribution**") pursuant to which all or substantially all of the holders of its outstanding Common Shares receives consideration, then, in each such case, the Exercise Price shall be adjusted contemporaneously with the consummation of such Asset Distribution (such date, the "**Asset Distribution Adjustment Date**") so that it shall equal the price determined by multiplying the Exercise Price in effect on the Asset Distribution Adjustment Date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on the Asset Distribution Adjustment Date multiplied by the Current Market Price on the Asset Distribution Adjustment Date, less the fair market value (as determined by the Corporation) of any consideration received therefor by the holders of Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on the Asset Distribution Adjustment Date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation.

(d) Merger Event: If and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Company other than as described in Section 11(b) or a consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership, limited liability company or other entity (such entity, the "**Merger Entity**"), or a sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to the Merger Entity (each of the foregoing, a "**Merger Event**"), to the extent that the holder of this Warrant has not exercised its exercise right prior to the effective date of the Merger Event, such holder upon the exercise of such right thereafter, shall be entitled to receive upon the exercise of its Warrants and shall accept, in lieu of the number of Common Shares that prior to such effective date such holder would have been entitled to receive, the number of shares or other securities or property (other than any such securities or property received in connection with an Asset Distribution which shall allocated in accordance with Section 11(c) above) of the Merger Entity that such holder would have been entitled to receive on such Merger Event, if, on the effective date thereof, as the case may be, the holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of its Warrants.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 11(b), subsection 11(c), or 11(d) of this Warrant Certificate, then the number of Warrant Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Warrant Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

12. **Rules Regarding Calculation of Adjustment of Exercise Price:**

(a) The adjustments provided for in Section 11 are cumulative and will, in the case of adjustments to the Exercise Price, be computed to the nearest whole Warrant Share and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 12.

(b) No adjustment in the Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the Exercise Price is required unless such adjustment would result in a change of at least one one-hundredth of a Warrant Share; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

(c) No adjustment in the Exercise Price will be made in respect of any event described in Section 11, other than the events referred to in clause 12(d), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

(d) No adjustment in the Exercise Price will be made under Section 11 in respect of the issue from time to time of Common Shares issuable from time to time as Dividends Paid in the Ordinary Course to holders of Common Shares who exercise an option or election to receive substantially equivalent dividends in Common Shares in lieu of receiving a cash dividend, and any such issue will be deemed not to be a reorganization.

(e) If at any time a question or dispute arises with respect to adjustments provided for in Section 11, such question or dispute will be conclusively determined by the accountants of the Company or, if they are unable or unwilling to act, by such other firm of independent chartered accountants that is a participant of the Canadian Public Accountability Board, as may be selected by action of the directors of the Company and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Company and the Holder. The Company will provide such auditor or chartered accountant with reasonable access to all relevant records of the Company.

(f) In case the Company after the date of issuance of this Warrant takes any action affecting the Common Shares, other than action described in Section 11, which in the opinion of the board of directors of the Company would materially affect the rights of the Holder, the Exercise Price will be adjusted in such manner, if any, and at such time, by action of the directors of the Company in their sole discretion, acting reasonably and in good faith, but subject in all cases to the prior written consent of any stock exchange upon which the Warrant Share may be listed, where required, and any necessary regulatory approval. Failure of the taking of action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Common Shares will be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances.

(g) If the Company sets a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price and/or the number of Common Shares purchasable upon exercise of this Warrant will be required by reason of the setting of such record date.

(h) In the absence of a resolution of the directors of the Company fixing a record date for any event that would require any adjustment to this Warrant, the Company will be deemed to have fixed as the record date therefor the date on which the event is effected.

(i) As a condition precedent to the taking of any action which would require any adjustment to the Warrant Shares issuable under this Warrant, including the Exercise Price, the Company shall take any corporate action which may be necessary in order that the Company or any successor to the Company or successor to the undertaking or assets of the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(j) The Company will from time to time, as soon as practicable after the occurrence of any event which requires an adjustment or readjustment as provided in Section 11, give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Exercise Price.

(k) In any case that an adjustment pursuant to Section 11 shall become effective immediately after a record date for, or an effective date of, an event referred to herein, the Company may defer, until the occurrence and consummation of such event, issuing to the Holder of this Warrant, if exercised after such record date or effective date and before the occurrence and consummation of such event, the additional Warrant Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares or other securities or property upon the occurrence and consummation of such event and the right to receive any dividend or other distribution in respect of such additional Warrant Shares or other securities or property declared in favour of the holders of record of Common Shares or of such other securities or property on or after the exercise date or such later date as the Holder would, but for the provisions of this subsection, have become the holder of record of such additional Warrant Shares or of such other securities or property.

13. **Representation and Warranty:** The Company hereby represents and warrants with and to the Holder that the Company is duly authorized and has all corporate and lawful power and authority to create and issue this Warrant and the Warrant Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant Certificate represents a valid, legal and binding obligation of the Company enforceable in accordance with its terms.

14. **If Share Transfer Books Closed:** The Company shall not be required to deliver certificates for Warrant Shares while the share transfer books of the Company are properly closed, prior to any meeting of shareholders or for the payment of dividends or for any other purpose and in the event of the surrender of any Warrant in accordance with the provisions hereof and the making of any subscription and payment for the Warrant Shares called for thereby during any such period delivery of certificates for Warrant Shares may be postponed for a period not exceeding five (5) Business Days after the date of the re-opening of said share transfer books provided that any such postponement of delivery of certificates shall be without prejudice to the right of the Holder, if the Holder has surrendered the same and made payment during such period, to receive such certificates for the Warrant Shares called for after the share transfer books shall have been re-opened.

15. **Lost Certificate:** If the Warrant Certificate evidencing the Warrants issued hereby becomes stolen, lost, mutilated or destroyed the Company shall issue and countersign a new Warrant Certificate of like denomination, tenor and date as the Warrant Certificate so stolen, lost mutilated or destroyed provided that the Holder shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate as shall be satisfactory to the Company, in its sole discretion acting reasonably, and the Holder may also be required to furnish an indemnity in form satisfactory to the Company, in its sole discretion acting reasonably, and shall pay the reasonable charges of the Company in connection therewith.

16. **Governing Law:** This Warrant Certificate shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws, rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario. The parties hereto hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

17. **Severability:** If any one or more of the provisions or parts thereof contained in this Warrant Certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom.

18. **Amendments:** The provisions of this Warrant Certificate may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the holders of at least 66 2/3% of the Warrants then outstanding.

19. **Headings:** The headings of the articles, sections, subsections and clauses of this Warrant Certificate have been inserted for convenience and reference only and do not define, limit, alter or enlarge the meaning of any provision of this Warrant Certificate.

20. **Numbering of Articles, etc.:** Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause, subclause or schedule refers to the article, section, subsection, clause, subclause or schedule bearing that number or letter in this Warrant Certificate.

21. **Gender:** Whenever used in this Warrant Certificate, words importing the singular number only shall include the plural, and vice versa, and words importing the masculine gender shall include the feminine gender.

22. **Day not a Business Day:** In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

23. **Computation of Time Period:** Except to the extent otherwise provided herein, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

24. **Binding Effect:** This Warrant Certificate and all of its provisions shall inure to the benefit of the Holder, its successors, assigns and legal personal representatives and shall be binding upon the Company and its successors.

25. **Notice:** Unless herein otherwise expressly provided, a notice to be given hereunder will be deemed to be validly given if the notice is given personally or sent by email or prepaid same day courier addressed as follows:

    (a) If to the Holder at the latest address of the Holder as recorded on the books of the Company; and

(b) If to the Company at:

MPX Bioceutical Corporation
5255 Yonge Street, Suite 701
Toronto, Ontario
M2N 6P4

Attention: W. Scott Boyes
Email: scott@mpxbioceutical.com

Notice so mailed shall be deemed to have been given on the fifth Business Day after deposit in a post office or public letterbox. Neither party shall mail any notice, request or other communication hereunder during any period in which applicable postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of mail. Notice transmitted by email or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be provided that if such day is not a Business Day then the notice, request or other communication shall be deemed to have been given and received on the first Business Day following such day. Any party may from time to time notify the other in the manner provided herein of any change of address which thereafter, until change by like notice, shall be the address of such party for all purposes hereof.

26. **Time of Essence:** Time shall be of the essence hereof.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this _____ day of January 2019.

SCHEDULE "A"

SUBSCRIPTION FORM

TO: MPX Bioceutical Corporation
5255 Yonge Street, Suite 701
Toronto, Ontario
M2N 6P4

The undersigned holder of the within Warrant hereby irrevocably subscribes for_____ Warrant Shares of MPX Bioceutical Corporation (the "**Company**") pursuant to the within Warrant and tenders herewith a certified cheque or bank draft for $_____ ($1.16 CND per Warrant Share) in full payment therefor.

(Please check the **ONE** box applicable):

A. The undersigned holder (i) at the time of exercise of the Warrant is not in the United States; (ii) is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), (iii) is not exercising the Warrant on behalf of a "U.S. person"; and (iv) did not execute or deliver this exercise form in the United States.

B. The undersigned holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

The undersigned hereby directs that the Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS	NUMBER OF WARRANT SHARES

DATED this _____ day of _____, 20_____.

NAME: _____

Signature of Authorized Representative: _____

Print Name: _____

Please check if the certificates representing the Warrant Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which the certificates representing the Warrant Shares will be mailed to the address in the registration instructions set out above.

If any Warrants represented by this Warrant Certificate are not being exercised, a new Warrant Certificate representing the unexercised Warrants will be issued and delivered with the certificate representing the Warrant Shares.

Notes:

Certificates will not be registered or delivered to an address in the United States unless Box B above is checked.

If Box B is to be checked, holders are encouraged to consult with the Company in advance to determine that the legal opinion tendered in connection with exercise will be satisfactory in form and substance to the Company.

SCHEDULE "B"

TRANSFER FORM

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

(Transferee)

(Address)

(Social Insurance Number)

_____ of the Warrants registered in the name of the undersigned transferor represented by the attached Warrant Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available.

DATED this _____ day of _____, 20_____.

Signature of Registered Holder (Transferor)

Signature Guarantee

Print name of Registered Holder

Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Warrant Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If any of the foregoing or any person acting in a fiduciary or representative capacity signs this transfer form, the Warrant Certificate must be accompanied by evidence of authority to sign.

All endorsements or assignments of these Warrants must be signature guaranteed by a bank or trust company or by a member of a stock exchange in Canada.

APPENDIX A

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: MPX BIOCEUTICAL CORPORATION (the "**Corporation**")

TO: Registrar and transfer agent for the shares of the Corporation

The undersigned (A) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Corporation (as that term is defined in Rule 405 under the 1933 Act) (b) a "distributor" as defined in Regulation S or (c) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Canadian Securities Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the 1933 Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the 1933 Act.

DATED , 20

X _____

Signature of individual (if Purchaser **is** an individual)

X _____

Authorized signatory (if Purchaser is **not** an individual)

_____

Name of Purchaser (**please print**)

_____

Name of authorized signatory (**please print**)

_____

Official capacity of authorized signatory (**please print**)

Exhibit 10.16

WARRANT CERTIFICATE

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT.

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE AFTER 5:00 **P.M.** (TORONTO TIME) ON JANUARY 17, 2021 UNLESS HOLDER HAS EXERCISED **ITS RIGHTS PRIOR THERETO.**

IANTHUS CAPITAL HOLDINGS, INC.
(Incorporated under the laws of British Columbia)

Certificate Number: Warrants to Purchase Shares

COMMON SHARE PURCHASE WARRANTS

THIS IS TO CERTIFY THAT, for value received, **GEORGE YAPP,** or its lawful assignee (the **"Holder")** is entitled to subscribe for and purchase (i) on or prior to June 29, 2018, up to 50,181 Class A convertible restricted voting shares in the capital of iAnthus Capital Holdings Inc. (the **"Company"),** or (ii) at any time after June 29, 2018 and on or before 5:00 p.m. Toronto time on January 17, 2021 (the **"Expiry Date"),** up to 50,181 fully paid and non-assessable common shares without par value in the capital of the Company, (collectively the **"Shares"** and individually, a **"Share"),** at a price of $1.9928 per Share. This Warrant is subject to the provisions of the Terms and Conditions attached hereto as **SCHEDULE "A"** and forming part hereof.

The rights represented by this Warrant Certificate may be exercised by the Holder, in whole or in part (but not as to a fraction of a Share) by surrender of this Warrant Certificate (properly endorsed as required), together with a Warrant Exercise Form in the form attached hereto as **APPENDIX "B',** duly completed and executed, to the Company at 420 Lexington Avenue, Suite 414, New York, New York I 0170, United States (Attention: Chief Financial Officer), or such other address as the Company may from time to time in writing direct, together with a certified cheque or bank draft payable to or to the order of the Company in payment of the purchase price of the number of Shares subscribed for. The Holder is advised to read "Instruction to Holders" attached hereto as **APPENDIX "A"** for details on how to complete the Warrant Exercise Form (as such term is defined in **SCHEDULE "A").**

IN WITNESS WHEREOF the Company this Warrant Certificate to be executed by its duly authorized office, this day of , 2018

iANTHUS CAPITAL HOLDINGS, INC.

SCHEDULE "A"

TERMS AND CONDITIONS
ATI ACHED TO COMMON SHARE PURCHASE WARRANTS
ISSUED BY iANTHUS CAPITAL HOLDINGS, INC.
(the "Company")

Each Warrant of the Company, whether single or part of a series, is subject to these Terms and Conditions as they were at the date of issue of the Warrant.

PART l
DEFINITIONS AND INTERPRETATION

Definitions

Section 1.1 In these Terms and Conditions, except as otherwise expressly provided herein, the following words and phrases will have the following meanings:

(a) **"Company"** means iAnthus Capital Holdings, Inc., a corporation incorporated under the *Business Corporations Act* (British Columbia) and includes any successor corporations;

(b) **"Company's auditor"** means the accountant duly appointed as auditor of the Company;

(c) **"Exercise Price"** means $1.9928 per Share or as may be adjusted pursuant to Section*S;*

(d) **"Expiry Date"** means January 17, 2021;

(e) **"Expiry Time"** means 5:00 p.m. (Toronto time) on the Expiry Date;

(f) **"Holder"** means the registered holder of a Warrant;

(g) **"Joint Actors"** has the meaning ascribed thereto in Section 7.1;

(h) **"person"** means an individual, corporation, partnership, trustee or any unincorporated organization, and words importing persons have a similar meaning;

(i) **"Shares"** or **"shares"** means the common shares or Class A convertible restricted voting shares, as the case may be, in the capital of the Company as constituted at the date of issue of a Warrant and any shares resulting from any event referred to in Section 4.8;

(j) **"Warrant"** means a warrant as evidenced by the certificate, one (1) Warrant entitles the Holder to purchase one (1) common share at any time after June 29, 2018 and prior to the Expiry Date, or one (1) Class A convertible restricted voting share at any time on or prior to June 29, 2018, as the case may be, of the Company (subject to adjustment) at the Exercise Price set forth on the Warrant Certificate;

(k) **"Warrant Certificate"** means the certificate evidencing the Warrant; and

(1) **"Warrant Exercise Form"** means **APPENDIX "B"** hereof.

Interpretation

Section 1.2 In these Terms and Conditions, except as otherwise expressly provided herein:

(a) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Warrant Certificate as a whole and not to any particular Part, clause, subclause or other subdivision;

(b) a reference to a Part or a Section means a Part or a Section, as applicable, of these Terms and Conditions;

(c) the headings are for convenience only, do not form a part of these Terms and Conditions and are not intended to interpret, define or limit the scope, extent or intent of these Terms and Conditions or any of its provisions;

(d) all dollar amounts referred to herein are expressed in United States dollars funds;

(e) time will be of the essence hereof; and

(f) words importing the singular number include the plural and vice versa, and words importing the masculine gender include feminine and neuter genders.

Applicable Law

Section 1.3 The Warrants will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto and will be treated in all respects as legal contracts under the laws of the Province of British Columbia.

PART2
ISSUE OF WARRANTS

Additional Warrants

Section 2.1 The Company may at any time and from time to time issue Warrants or grant options or similar rights to purchase shares of in its capital.

Issue in Substitution for Lost Warrants

Section 2.2 In case a Warrant Certificate will become mutilated, lost, destroyed or stolen, the Company in its discretion may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, and in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the Warrants represented by such substituted Warrant Certificate will be entitled to the benefit hereof and rank equally in accordance with its terms with all other Warrants of the same issue. The Company may charge a reasonable fee for the issuance and delivery of a new Warrant Certificate.

Section 2.3 The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and in the case of loss, destruction or theft furnish to the Company such evidence of ownership, and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its discretion; and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion and will pay the reasonable charges of the Company in connection therewith.

Holder not a Shareholder

Section 2.4 The holding of a Warrant will not constitute the Holder a shareholder of the Company, nor entitle the Holder to any right or interest in respect thereof, except as expressly provided in the Warrant Certificate.

Securities Law Exemption

Section 2.5 The Holder acknowledges and agrees that the Warrants and any Shares issued pursuant to the exercise of any Warrants have been or will be issued only on a "private placement" basis and that the Company has no obligation to, and does not intend to, file any prospectus or registration statement in any jurisdiction in order to qualify any of such Warrants and/or Shares for resale.

PART3
OWNERSHIP

Exchange of Warrants

Section 3.1 A Warrant Certificate in any authorized denomination, upon compliance with the reasonable requirements of the Company, may be exchanged for a Warrant Certificate(s) in any other authorized denomination of the same issue entitling the Holder to purchase an equal aggregate number of Shares at the same Exercise Price and on the same terms as the Warrant Certificate so exchanged.

Section 3.2 Warrants may be exchanged only with the Company. Any Warrants tendered for exchange will be surrendered to the Company and cancelled.

Section 3.3 The Warrants are transferable by the Holder completing and submitting to the Company a completed and duly executed Warrant Transfer Form.

Charges for Exchange

Section 3.4 On exchange of Warrants, the Company, except as otherwise herein provided, may charge a reasonable fee for each new Warrant Certificate issued, and payment of any transfer taxes or governmental or other charges required to be paid will be made by the party requesting such exchange.

Ownership of Warrants

Section 3.5 The Company may deem and treat the Holder of a Warrant as the absolute owner of such Warrant for all purposes and will not be affected by any notice or knowledge to the contrary.

Notice to Holder

Section 3.6 Unless herein otherwise expressly provided, any notice to be given hereunder to a Holder will be deemed to be validly given, if mailed to the address of the Holder as set out on the Warrant Certificate. Any notice so given will be deemed to have been received five days from the date of mailing to the Holder or any market intermediary then holding the Warrants of the Holder in any trust account.

PART4
EXERCISE OF WARRANTS

Method of Exercise of Warrants

Section 4.1 The right to purchase Shares conferred by a Warrant may be exercised by the Holder surrendering the Warrant Certificate, together with a duly completed and executed Warrant Exercise Form and a certified cheque or bank draft payable to, or to the order of the Company at the address as set out on the Warrant Certificate, for the purchase price applicable at the time of surrender in respect of the shares subscribed for in lawful money of Canada to the Company at the address as set out on the Warrant Exercise Form.

Effect of Exercise of Warrants

Section 4.2 Upon surrender and payment as aforesaid, the shares so subscribed for will be deemed to have been issued, and the Holder will be deemed to have become the holder of such shares on the date of such surrender and payment, and such shares will be issued at the Exercise Price as may be adjusted in the events and in the manner described herein.

Section 4.3 Within two business days after surrender and payment as aforesaid, the Company will forthwith cause to be delivered to the person in whose name the shares are directed to be registered as specified in such Warrant Exercise Form, or if no such direction is given, the Holder, a certificate for the appropriate number of shares not exceeding those which the Holder is entitled to purchase pursuant to the Warrant Certificate surrendered.

Subscription for Less than Entitlement

Section 4.4 A Holder may purchase a number of Shares less than the number which the Holder is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of shares less than the number which can be purchased pursuant to a Warrant Certificate, the Holder, upon exercise thereof, will, in addition to certificates representing shares issued on such exercise, and be entitled to receive a new Warrant Certificate in respect of the balance of the shares which the Holder was entitled to purchase pursuant to the surrendered Warrant Certificate but which were not then purchased.

Warrants for Fractions of Shares

Section 4.5 To the extent that a Holder is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may be exercised in respect of such fraction only in combination with another Warrant which in the aggregate will entitle the Holder to receive a whole number of Shares.

Expiration of Warrants

Section 4.6 After the Expiry Date, all rights under the Warrants will wholly cease and terminate, and the Warrants will thereupon be void and of no effect.

Exercise Price

Section 4.7 The price per Share which must be paid to exercise a Warrant is the Exercise Price, as may be adjusted in the events and in the manner described herein.

Class of Securities

Section 4.8 Notwithstanding anything contained in this **SCHEDULE "A"** or the Warrant Certificate to which the **SCHEDULE "A"** is attached, if the Warrants, or any of them, are exercised on or prior to June 29, 2018, then the Shares issued upon exercise of the Warrants will be Class A convertible restricted voting shares in the capital of the Company. If the Warrants, or any of them, are exercised after June 29, 2018 then the Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.

PARTS
ADJUSTMENTS AND ACCELERATION

Section 5.1 Adjustments

(1) Definitions: For the purposes of this Part 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection:

(a) **"Adjustment Period"** means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;

(b) **"Current Market Price"** means the price per share equal to the weighted average price at which the Shares have traded on the Canadian Securities Exchange or a senior stock exchange or, if the Shares are not then listed on such an exchange, in the over-the-counter market, during the period of any twenty (20) consecutive trading days ending not more than five (5) business days before such date;

(c) **"director"** means a director of the Company at the relevant time and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Company as a board or, whenever empowered, action by any committee of the directors of the Company; and

(d) **"trading day"** with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2) Adjustments: The Exercise Price and the number of Shares issuable to the Holder pursuant to this Warrant shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If at any time during the Adjustment Period the Company shall:

(i) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the Shares payable in Shares or securities exchangeable or exercisable for or convertible into Shares;

(iii) subdivide the outstanding Shares into a greater number of Shares; or

(iv) consolidate the outstanding Shares into a lesser number of Shares;

(any of such events in subclauses 5.1(2)(a)(i), 5.1(2)(a)(ii), 5.1(2)(a)(iii) and 5.1(2)(a)(iv) above being herein called a **"Share Reorganization"),** the Exercise Price shall be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Share Reorganization and the effective date of the Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which shall be the number of Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Share Reorganization; and

(B) the denominator of which shall be the number of Shares which will be outstanding immediately after giving effect to such Share Reorganization (including in the case of a distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares that would be outstanding had such securities all been exchanged or exercised for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(a) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Share actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. If the Holder has not exercised its right to subscribe for and purchase Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for and purchased by the Holder, at the Exercise Price determined in accordance with this Subsection 5.l{2)(a) the aggregate number of Shares that the Holder would have been entitled to receive as a result of such Share Reorganization, if, on such record date or effective date, as the case may be, the Holder had been the holder of record of the number of Shares so subscribed for and purchased.

(b) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Share of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the **"Rights Period"),** to subscribe for or purchase Share or securities exchangeable for or convertible into Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Shares on such record date (any of such events being called a **"Rights Offering"),** the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which shall be the aggregate of:

(A) the number of Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing:

either: (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered; or (b) the product of the exchange, exercise or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be; by

the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which shall be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Shares, the number of Shares into which such securities may be exchanged, exercised or converted).

Any Share owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.1(2)(b) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this Subsection 5.1(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Company shall fix a record date for the issue or distribution to the holders of all or substantially all of the Share of:

(i) shares of the Company of any class other than Shares;

(ii) rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares (other than rights, options or warrants pursuant to which holders of Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Shares or securities exchangeable or exercisable for or convertible into Shares at a price per share (or in the case of securities exchangeable or exercisable for or convertible into Shares at an exchange, exercise or conversion price per share on the record date for the issue of such securities) of at least 95% of the Current Market Price of the Shares on such record date);

(iii) evidences of indebtedness of the Company; or

(iv) any property or assets of the Company;

and if such issue or distribution does not constitute a Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a **"Special Distribution"),** the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which shall be the difference between

the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date, and

the fair value, as determined by the directors of the Company, to the holders of Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which shall be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Subsection 5.l(2)(c) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable or exercisable for or convertible into Shares referred to in this Subsection 5.1(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and shall be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there shall occur:

(i) a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Share Reorganization;

(ii) a consolidation, amalgamation or merger of the Company with or into any other body corporate which results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or

(iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a **"Capital Reorganization"),** after the effective date of the Capital Reorganization, the Holder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of this Warrant, in lieu of the number of Shares which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant; the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which the Holder was theretofore entitled to purchase or receive upon the exercise of this Warrant. If necessary, as a result of any Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Warrant.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of Subsections 5.1(2)(a), 5.1(2)(b), or 5.1(2)(c) hereof, then the number of Shares purchasable upon the subsequent exercise of this Warrant shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to Subsection 5.1(2) of this Warrant.

(a) Subject to the following provisions of this Subsection 5.1(3), any adjustment made pursuant to Subsection 5.1(2) hereof shall be made successively whenever an event referred to therein shall occur.

(b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent in the then Exercise Price; provided, however, that any adjustments which except for the provision of this Subsection 5.1(3)(b) would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment.

Notwithstanding any other provision of Subsection 5.1(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of this Warrant (except in respect of the Share Reorganization described in Subsection 5.1(2)(a)(iv) hereof or a Capital Reorganization described in Subsection 5.1(2)(d)(ii) hereof).

(c) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of this Warrant shall be made in respect of any event described in Section 5.1 hereof if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised this Warrant prior to or on the record date or effective date, as the case may be, of such event.

(d) No adjustment in the Exercise Price or in the number of Shares purchasable upon the exercise of this Warrant shall be made pursuant to Subsection 5.1(2) hereof in respect of the issue from time to time of Shares and Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Company and/or any subsidiary of the Company and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Share Reorganization, a Rights Offering nor any other event described in Subsection 5.1(2) hereof.

(e) If at any time during the Adjustment Period the Company shall take any action affecting the Shares, other than an action described in Subsection 5.1(2) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of the Holder, either or both the Exercise Price and the number of Shares purchasable upon exercise of this Warrant shall be adjusted in such manner and at such time by action by the directors, in their sole discretion, as may be equitable in the circumstances; provided, however, that any such adjustment shall be subject to the approval of the applicable recognized stock exchange (if the Shares are then listed on such stock exchange) and any other required regulatory approvals.

(f) If the Company shall set a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Shares purchasable upon exercise of this Warrant shall be required by reason of the setting of such record date.

(g) In any case in which this Warrant shall require that an adjustment shall become effective immediately after a record date for an event referred to in Subsection 5.1(2) hereof, the Company may defer, until the occurrence of such event:

(i) issuing to the Holder, to the extent that this Warrant is exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price and the number of Shares purchasable upon the exercise of this Warrant and to such distribution declared with respect to any such additional Shares issuable on this exercise of this Warrant.

(h) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(i) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Shares purchasable upon the exercise of this Warrant, such disputes shall be conclusively determined by a firm of independent chartered accountants other than the auditors of the Company and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to Subsection 5.1(2) hereof and shall be binding upon the Company and the Holder.

(j) As a condition precedent to the taking of any action which would require an adjustment pursuant to Subsection 5.1(2) hereof, including the Exercise Price and the number or class of Shares or other securities which are to be received upon the exercise thereof, the Company shall take any action which may, in the opinion of counsel to the Company, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable shares all of the Shares or other securities which the Holder is entitled to receive in accordance with the provisions of this Warrant Certificate.

(4) Notice: At least seven (7) days prior to any record date or effective date, as the case may be, for any event which requires or might require an adjustment in any of the rights of the Holder under this Warrant, including the Exercise Price and the number of Shares which are purchasable under this Warrant, the Company shall deliver to the Holder a certificate of the Company specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Subsection 5.1(4) has been given is not then determinable, the Company shall promptly after such adjustment is determinable deliver to the Holder a certificate providing the calculation of such adjustment. The Company hereby covenants and agrees that the register of transfers and transfer books for the Shares will be open, and that the Company will not take any action which might deprive the Holder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such seven (7) day period.

Determination of Adjustments

Section 5.2 If any question will at any time arise with respect to any adjustments to be made under Part 5, such question will be conclusively determined by the Company's auditor, or, if the Company's auditor declines to so act, any other chartered accountant that the Company may designate (acting reasonably) and who will have access to all appropriate records, and such determination will be binding upon the Company and the Holder.

Hold Period

Section 5.3 The Shares received by the Holder upon the exercise of the Warrants may be subject to a hold period as determined by the policies of the Canadian Securities Exchange and/or other applicable securities laws of stock exchange polices the Company is then listed on.

PART6
COVENANTS BY THE COMPANY

Reservation of Shares

Section 6.1 The Company will reserve, and there will remain unissued out of its authorized capita], a sufficient number of shares to satisfy the rights of purchase provided for in a11 Warrants from time to time outstanding.

PART7
RESTRICTION ON EXERCISE

Blocking Language

Section 7.1 Notwithstanding anything contained herein to the contrary, the rights represented by this Warrant Certificate will not be exercisable by the Holder, in whole or in part, and the Company will not give effect to any such exercise, if, after giving effect to such exercise, the Holder, together with any person or company acting jointly or in concert with the Holder (the **"Joint Actors")** would in the aggregate beneficially own, or exercise control or direction over that number of voting securities of the Company which is twenty percent (20%) or greater of the total issued and outstanding voting securities of the Company, immediately after giving effect to such exercise. For greater certainty, the rights represented by this Warrant Certificate will not be exercisable by the Holder, in whole or in part, and the Company will not give effect to any such exercise, if, after giving effect to such exercise, the Holder, together with its Joint Actors, would be deemed to hold a number of voting securities sufficient to materially affect the control of the Company. The Company herby acknowledges and agrees that the members of the Holder, in the event that the Warrants held by the Holder are distributed to such persons, will not constitute Joint Actors on the basis that they are or were each members of the Holder.

Section 7.2 Any certificates representing Shares issued upon exercise of the Warrants prior to the date that is four months and one day after the date of issue of the Warrants, and any Shares issued in exchange for such Shares, will bear the following legends:

> **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MAY 18, 2018."**

provided that at any time subsequent to the date which is four months and one day after the date hereof, any certificate representing any such Shares may be exchanged for a certificate bearing no such legends.

Section 7.3 This Warrant and the Shares to be issued upon its exercise have not been and will not be registered under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** or the securities laws of any state of the United States. This Warrant may not be exercised in the United States, or by or for the account or benefit of a U.S. person or a person in the United States, unless (i) the Shares are registered under the U.S. Securities Act and the applicable laws of any such state or (ii) an exemption from such registration requirements is available and, in either case, the Holder has complied with the requirements set forth in the Warrant Exercise Form attached hereto as **APPENDIX "B".** "United States" and "U.S. person" are as defined in Regulation Sunder the U.S. Securities Act.

Section 7.4 Any Shares issued upon exercise of this Warrant in the United States, or to or for the account or benefit of a U.S. person or a person in the United States, will be "restricted securities", as defined in Rule 144(a)(3) under the U.S. Securities Act. The certificates representing such Shares, as well as all certificates issued in exchange or in substitution therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act, or applicable state securities laws, will bear, on the face of such certificate, the following legends:

> **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT,,) OR THE SECURITIES LAWS OF** ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY **PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT;** (C) **IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT.**
>
> **THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."**

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act**("Regulation S")** and such Shares were acquired at a time when the Company is a "foreign issuer" as defined in Regulation S, the legends set forth above in this Section 7.4 may be removed by providing a declaration to the registrar and transfer agent of the Company, as set forth in Appendix "D" attached hereto (or in such other form as the Company may prescribe from time to time); and provided, further, that, if the Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legends may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel of recognized standing in form and substance satisfactory to the Company that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

Section 7.5 Notwithstanding any provision to the contrary contained herein, no Shares will be issued pursuant to the exercise of any Warrant if the issuance of such securities would constitute a violation of the securities laws of any applicable jurisdiction, and the certificates evidencing the Shares thereby issued may bear such legend as may, in the opinion of legal counsel to the Company, be necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the Shares of the Company are listed, provided that, at any time, in the opinion of legal coW1sel to the Company, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at that holder's expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of legal counsel satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

PARTS
MODIFICATION OF TERMS, SUCCESSORS

Modification of Terms and Conditions for Certain Purposes

Section 8.1 From time to time the Company may, subject to the provisions of the Warrant Certificate, when so directed by the Holder, modify the terms and conditions hereof, for any one or more or all of the following purposes:

(a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel for the Company, are necessary or advisable in the circumstances;

(b) making such provisions not inconsistent herewith as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of Warrants on any stock exchange or house;

(c) adding to or altering the provisions hereof in respect of the registration of Warrants making provision for the exchange of Warrant Certificates of different denominations; and making any modification in the form of Warrant Certificates which does not affect the substance thereof;

(d) for any other purpose not inconsistent with the terms hereof, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein; and

(e) to evidence any succession of any corporation and the assumption by any successor of the covenants of the Company herein and in the Warrants contained as provided hereafter in this Part 8.

The Company may Amalgamate on Certain Terms

Section 8.2 Nothing herein contained will prevent any amalgamation or merger of the Company with or into any other company, or the sale of the property or assets of the Company to any company lawfully entitled to acquire the same; provided however that the company formed by such merger or amalgamation or which acquires by conveyance or transfer all or substantially all the properties and assets of the Company will be a company organized and existing under the laws of Canada or of the United States of America or any Province, State, District or Territory thereof, which will, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Company and will succeed to and be substituted for the Company, and such changes in phraseology and form (but not in substance) may be made in the Warrant Certificate as may be appropriate in view of such amalgamation, merger or transfer.

Additional Financings

Section 8.3 Nothing herein contained will prevent the Company from issuing any other securities or rights with respect thereto during the period within which a Warrant is exercisable, upon such terms as the Company may deem appropriate.

[End of Schedule "A"]

APPENDIX "A"

INSTRUCTIONS TO HOLDERS

TO EXERCISE:

To exercise Warrants, the Holder must complete, sign and deliver the Warrant Exercise Form, attached as Appendix "B" and deliver the Warrant Certificate(s) to the Company, indicating the number shares to be acquired.

TO TRANSFER:

To transfer Warrants, the Holder must complete, sign and deliver the Warrant Transfer Form, attached as Appendix "C" and deliver the Warrant Certificate(s) to the Company. The Company may require such other certificates or opinions to evidence compliance with applicable securities legislation in Canada.

To transfer Warrants, the Warrant Holder's signature on the Warrant Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

GENERAL:

If forwarding any documents by mail, registered mail must be employed.

If the Warrant Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Company.

The address of the Company is:

iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

[End of Appendix "A"]

APPENDIX "B"

WARRANT EXERCISE FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 414
New York, New York 10170
United States

Attention: Chief Financial Officer

The undersigned Holder of the within Warrants hereby subscribes for _____ common shares or Class A convertible restricted voting shares, as the case may be (the **"Shares")** of iAnthus Capital Holdings, Inc. (the **"Company")** pursuant to the within Warrants on the terms and price specified in the Warrants. This subscription is accompanied by a certified cheque or bank draft payable to or to the order of the Company for the whole amount of the purchase price of the Shares.

If the Warrants, or any of them, are exercised on or prior to June 29, 2018, then the Shares issued upon exercise of the Warrants will be Class A convertible restricted voting shares in the capital of the Company. If **the Warrants, or any of them, are exercised after June 29, 2018 then the Shares issued upon exercise of the Warrants will be common shares in the capital of the Company.**

The undersigned hereby directs that the Shares be registered as follows:

NAME (S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES

As at the time of exercise hereunder, the undersigned Holder represents, warrants and certifies as follows (check one):

☐ (A) the undersigned holder at the time of exercise of the Warrant is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** and is not exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (as defined in Regulation S), and did not execute or deliver this exercise form in the United States; OR

☐ (B) the undersigned holder is resident in the United States, is a U.S. person, or is exercising the Warrant for the account or benefit of a U.S. person or a person in the United States (a **"U.S. Holder"),** and is an "accredited investor", as defined in Rule 50 l (a) of Regulation D under the U.S. Securities Act (a **"U.S. Accredited Investor"),** and has completed the U.S. Accredited Investor Status Certificate in the form attached to this exercise form; OR

☐ (C) if the undersigned holder is a U.S. Holder, the undersigned holder has delivered to the Company and the Company's transfer agent an opinion of counsel of recognized standing (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the Shares to be delivered upon exercise of the Warrant, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available.

Note: Certificates representing common shares will not be registered or delivered to an address in the United States unless box (8) or (C) immediately above is checked.

If the undersigned Holder has indicated that the undersigned Holder is a U.S. Accredited Investor by marking box (B) above, the undersigned Holder additionally represents and warrants to the Company that:

(2) the undersigned Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;

(3) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Shares as agent or trustee for any other person or persons (each a **"Beneficial Owner"),** the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any Beneficial Owner, is a corporation or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor; and

(4) the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising (as such terms are used in Rule 502 of Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio, television, the Internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking box (B) above, the undersigned also acknowledges and agrees that:

(5) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as the undersigned has considered necessary or appropriate in connection with the undersigned's investment decision to acquire the Shares;

(6) if the undersigned decides to offer, sell or otherwise transfer any of the Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Shares directly or indirectly, unless:

(a) the sale is to the Company;

(b) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;

(c) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(d) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company;

(7) the Shares are "restricted securities" under applicable federal securities laws and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom;

(8) the Company has no obligation to register any of the Shares or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);

(9) the certificates representing the Shares (and any certificates issued in exchange or substitution for the Shares) will bear a legend stating that such securities have not been registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered for sale or sold unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or unless an exemption from such registration requirements is available;

(10) delivery of certificates bearing such a legend may not constitute "good delivery" in settlement of transactions on Canadian stock exchanges or over-the-counter markets, but a new certificate without such a legend will be made available to the undersigned upon provision by the undersigned of a declaration to the registrar and transfer agent (the **"Transfer Agent")** of the Company's common shares in the form attached as Appendix "D" to the Warrant Certificate (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the Transfer Agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the Transfer Agent, to the effect that such sale is being made in compliance with Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply; and provided, further, that, if any Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Company, the legend may be removed by delivery to the Transfer Agent and the Company of an opinion of counsel of recognized standing in form and substance satisfactory to the Company that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(11) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

(12) there may be material tax consequences to the undersigned of an acquisition or disposition of the Shares;

(13) the Company gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of any Shares; in particular, no determination has been made whether the Company will be a "passive foreign investment company" (commonly known as a **"PFIC")** within the meaning of Section 1297 of the United States Internal Revenue Code;

(14) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Warrants will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the **"PATRIOT Act"),** and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;

(15) the Company is not obligated to remain a "foreign issuer"; and

(16) the undersigned consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this Warrant Exercise Form.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED this _____ day of _____, 20_____.

In the presence of:

Signature of Witness	Signature of Holder
Witness's Name	Name and Title of Authorized Signatory for the Holder

INSTRUCTIONS FOR SUBSCRIPTION

The signature to the subscription must correspond in every particular with the name written upon the face of the Warrant Certificate without alteration. If the registration in respect of the certificates representing the Shares to be issued upon exercise of the Warrants differs from the registration of the Warrant Certificates the signature of the registered holder must be guaranteed by an authorized officer of a Canadian chartered bank, or of a major Canadian trust company, or by a medallion signature guarantee from a member recognized under the Signature Medallion Guarantee Program, or from a similar entity in the United States, if this transfer is executed in the United States, or in accordance with industry standards.

In the case of persons signing by agent or attorney or by personal representative(s), the authority of such agent, attorney or representative(s) to sign must be proven to the satisfaction of the Company.

If the Warrant Certificate and the form of subscription are being forwarded by mail, registered mail must be employed.

U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of certain outstanding warrants of iANTHUS CAPITAL HOLDINGS, INC. (the **"Company")** by the holder, the holder hereby represents and warrants to the Company that the holder, and each beneficial owner (each a **"Beneficial Owner"),** if any, on whose behalf the holder is exercising such warrants, satisfies one or more of the following categories of Accredited Investor **(please write "W/11" for the undersigned holder, and "BIO" for each beneficial owner, if any, on each line that applies):**

_____ (1) Any bank as defined in Section 3(a)(2) of the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Corporation Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Corporation licensed by the U.S. Small Business Administration under Section 30l(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors" (as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act);

_____ (2) Any private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940;

_____ (3) Any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US$5,000,000;

_____ (4) Any trust with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);

_____ (5) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US$1,000,000 (for the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

_____ (6) A natural person who had annual gross income during each of the last two full calendar years in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) and reasonably expects to have annual gross income in excess of US$200,000 (or together with his or her spouse in excess of US$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US$200,000 (or that together with his or her spouse will not remain in excess of US$300,000) for the foreseeable future;

_____ (7) Any director or executive officer of the Company; or

_____ (8) Any entity in which all of the equity owners meet the requirements of at least one of the above categories - if this alternative is selected you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.

[End of Appendix “B”]

APPENDIX "C"

WARRANT TRANSFER FORM

TO: iAnthus Capital Holdings, Inc.
420 Lexington Avenue, Suite 4I 4
New York, New York 10170
United States

Attention: Chief Financial Officer

FOR VALUE RECEIVED, the undersigned holder (the "**Transferor**") of the within Warrants hereby sells, assigns and transfers to _____ (the "**Transferee**"), _____ Warrants of iAnthus Capital Holdings, Inc. (the "**Company**") registered in the name of the undersigned on the records of the Company and irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned hereby directs that the Warrants hereby transferred be issued and delivered as follows:

NAME IN FULL	ADDRESS	NUMBER OF WARRANTS

The Transferor hereby certifies that (check either A or B):

(A) the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the United States Securities Act of I 933, as amended (the **"U.S. Securities Act"),** in which case the Transferor has delivered or caused to be delivered by the Transferee a written opinion of U.S. legal counsel of recognized standing in form and substance satisfactory to the Company to the effect that the transfer of the Warrants is exempt from the registration requirements of the U.S. Securities Act; or

(B) the transfer of the Warrants is being made in reliance on Rule 904 of Regulation S under the U.S. Securities Act, and certifies that:

(1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company (except solely by virtue of being an officer or director of the Company) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor";

(2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) neither the seller nor any affiliate of the seller nor any person acting on their behalf engaged in any directed selling efforts in connection with the offer and sale of the Warrants;

(4) the sale is bona fide and not for the purpose of "washing off' the resa]e restrictions imposed because the Warrants are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act);

(5) the Transferor does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities; and

(6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act.

Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated this _____ day of _____, 201_____.

Signature of Warrant Holder

Signature Guaranteed

INSTRUCTIONS FOR TRANSFER

Signature of the Warrant Holder must be the signature of the person appearing on the face of this Warrant Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Company.

The signature on the Transfer Form must be guaranteed by a chartered bank or trust company, or a member firm of an approved signature guarantee medallion program. The guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".

The Warrants will only be transferable in accordance with applicable laws. The Warrants and the common shares issuable upon exercise thereof have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States, and may not be transferred to or for the account or benefit of a U.S. person or any person in the United States without registration under the U.S. Securities Act and applicable state securities laws, or compliance with the requirements of an exemption from registration. **"United States"** and **"U.S. person"** are as defined in Regulation S under the U.S. Securities Act.

[End of Appendix "C"]

APPENDIX "D"

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO; Registrar and transfer agent for the shares of iAnthus Capital Holdings, Inc. (the **"Issuer")**

The undersigned (A) acknowledges that the sale of the _____ common shares or Class A convertible restricted voting shares, as the case may be, in the capital of the Issuer represented by certificate number _____., to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Issuer (except solely by virtue of being an officer or director of the Issuer) or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation Sunder the U.S. Securities Act.

Dated: _____

_____
Signature of Individual (if Seller **is** an individual)

_____
Authorized signatory (if Seller is **not** an individual)

_____
Name of Seller **(please print)**

_____
Name of authorized signatory **(please print)**

_____
Official capacity of authorized signatory **(print print)**

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____, _____ (the **"Seller")** contained in the foregoing Declaration for Removal of Legend, dated _____, 20_____, with regard to the sale, for such Seller's account, of _____ common shares (the **"Securities")** of the Issuer represented by certificate number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** on behalf of the Seller. In that connection, we hereby represent to you as follows:

(17) (no offer to sell Securities was made to a person in the United States;

(18) the sale of the Securities was executed in, on or through the facilities of the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;

(19) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and

(20) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: **"affiliate"** means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; **"directed selling efforts"** means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and **"United States"** means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Issuer shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

_____
Name of Firm

Per: Authorized Signatory

[End of Appendix "D"]

Exhibit 21.1

Name of Entity	Doing Business As	Jurisdiction of Registration	Direct Ownership Interest
ABACA, Inc.	The Holistic Center	Arizona, USA	0.0%
Ambary, LLC		Arizona, USA	100%
The Healing Center Wellness Center, Inc.	Health For Life Crismon	Arizona, USA	0.0%
Health for Life, Inc.	Health For Life Ellsworth Health For Life East	Arizona, USA	0.0%
Soothing Options, Inc.	Health For Life McDowell Health For Life North	Arizona, USA	0.0%
S8 Management, LLC		Arizona, USA	100%
S8 Rental Services, LLC		Arizona, USA	100%
iAnthus Arizona, LLC		Arizona, USA	100%
MPX Bioceutical ULC		British Columbia, Canada	100%
Scarlet Globemallow, LLC		Colorado, USA	100%
Bergamot Properties, LLC		Colorado, USA	100%
Bellflower, LLC	Organix	Colorado, USA	0.0%
iAnthus Capital Management, LLC		Delaware, USA	100%
iAnthus Holdings Florida, LLC		Florida, USA	100%
GrowHealthy Properties, LLC	GrowHealthy	Florida, USA	100%
GHHIA Management, Inc.	GrowHealthy	Florida, USA	100%
McCrory's Sunny Hill Nursery, LLC	GrowHealthy	Florida, USA	100%
iA IT, LLC		Illinois, USA	100%
iA GPT, LLC		Illinois, USA	19%
iA GP, LLC		Illinois, USA	19%
Island Thyme, LLC		Illinois, USA	19%
MPX Luxembourg SARL		Luxembourg	100%
GreenMart of Maryland, LLC	Health For Life Baltimore	Maryland, USA	0.0%
LMS Wellness Benefit, LLC	Health For Life White Marsh	Maryland, USA	0.0%
Rosebud Organics, Inc.		Maryland, USA	0.0%
Budding Rose, Inc.	Health For Life Bethesda	Maryland, USA	0.0%
Pilgrim Rock Management, LLC		Massachusetts, USA	100%
Mayflower Medicinals, Inc.		Massachusetts, USA	100%
Cannatech Medicinals Inc.		Massachusetts, USA	100%
Fall River Development Company, LLC		Massachusetts, USA	100%
IMT, LLC		Massachusetts, USA	100%
CGX Life Sciences, Inc.		Nevada, USA	100%
GreenMart of Nevada NLV, LLC		Nevada, USA	100%
iA Northern Nevada, Inc.		Nevada, USA	100%
MPX New Jersey, LLC		New Jersey, USA	4%
GTL Holdings, LLC		New Jersey, USA	100%
iAnthus New Jersey, LLC		New Jersey, USA	100%
iA CBD, LLC		New Jersey, USA	100%
iAnthus Empire Holdings, LLC		New York, USA	100%
Citiva Medical, LLC	Citiva	New York, USA	100%
Grassroots Vermont Management Services, LLC		Vermont, USA	100%
FWR, Inc.	Grassroots Vermont	Vermont, USA	100%
Pakalolo, LLC		Vermont, USA	100%