

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: IM Cannabis Corp. (the "Issuer").

Trading Symbol: IMCC

Number of Outstanding Listed Securities as of 31/10/2020:

158,676,378 Common Shares, 9,729,258 Warrants

Date: November 5, 2020

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.
  - **On October 6, 2020, the Issuer announced that the Israeli Ministry of Health launched a new pilot program in which medical cannabis producers will be authorized to export medical cannabis, subject to making certain products available to patients in Israel at a fixed price of NIS14 per gram (approximately CAD\$5.50 per gram) and NIS10 (approximately CAD\$4.00 per gram) for patients over 21 years old and under 21 years old, respectively (the "Pilot Program"). The Pilot Program will operate for an initial period of three months. Participants in the Pilot Program will be allowed to submit applications for the export of medical cannabis. The Issuer is participating in the Pilot Program, and therefore, IMC-branded products will be eligible for immediate application for export permits.**
  - **On October 7, 2020, the Issuer provided a business update relating to the third quarter of 2020, including:**
    - a) **sales in Germany through the Issuer's German subsidiary, Adjupharm GmbH ("Adjupharm"), to seven out of its ten distributors;**
    - b) **the establishment of a Dutch entity, IMC- Holland B.V. ("IMC Holland"), which submitted an application to participate in the Dutch government's controlled cannabis supply chain experiment ("Dutch Tender"), together with a local partner;**
    - c) **an update on the growth in the number of medical cannabis patients in Israel, which surpassed 71,000;**
    - d) **the signing of a supply agreement by Focus Medical Herbs Ltd. with Ever Green Solomon Pharma Ltd.; and**
    - e) **an announcement that the Issuer reached adjusted EBITDA profitability in September 2020.**

- **On October 29, 2020, the Issuer filed an amended notice of meeting and record date for its upcoming special meeting of shareholders, which will now take place on December 16, 2020 in Oakville, Ontario.**
2. Provide a general overview and discussion of the activities of management.  
**Management of the Issuer remains focused on identifying new strategic investments and growth opportunities in Israel and Europe, including, but not limited to, securing supply and distribution agreements in Germany, the Netherlands and the rest of Europe, and sales and supply agreements in the local Israeli market.**
  3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.  
**Not Applicable**
  4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.  
**Not Applicable**
  5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.  
**The Issuer established a Dutch entity, IMC Holland, together with a local partner, to apply for the Dutch Tender, as described in item 1 above. The Issuer and the Dutch partner own 60% and 40% of IMC Holland, respectively. IMC Holland is not a related person to the Issuer.**
  6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
**Adjupharm terminated its agreement with MARVECS GmbH. The termination was made effective on October 30, 2020.**
  7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the

acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**Not Applicable**

8. Describe the acquisition of new customers or loss of customers.

**Not Applicable**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**Not Applicable**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**On October 18, the Issuer hired an assistant to the General Counsel.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**Not Applicable**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**Not Applicable**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**Not Applicable**

14. Provide details of any securities issued and options or warrants granted.

**The following securities were issued by the Issuer in October 2020:**

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Common Shares	25,000	Exercise of incentive stock options	\$26,250 to be used for working capital
	500	Exercise of warrants	\$650 to be used for working capital

Incentive Stock Options	130,000	Each Incentive Stock Option granted on October 23, 2020 is exercisable for one Common Share at an exercise price of \$1.78 for a period of five years from the grant date.	Not Applicable
-------------------------	---------	--	----------------

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

**Not Applicable**

16. Provide details of any changes in directors, officers or committee members.

**Not Applicable**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The current global uncertainty with respect to the spread of the COVID-19, the rapidly evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may impact the Issuer's business in the coming months.**

**The Issuer has taken proactive measures to protect the health and safety of its employees, to continue delivering high quality medical cannabis to its patients and to maintain its strong balance sheet. The Issuer has postponed planned investments in innovation until global economic risks subside. The issuer will keep on focusing on developing its brand in Germany by increasing volumes to medical patients in that market and adding supply and sales agreements in Israel.**

**While the precise impact of the COVID-19 outbreak on the Issuer remains unknown, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct impacts on businesses in Canada, Israel, Germany and around the world and could result in additional precautionary measures that could impact the Issuer's business. The spread of COVID-19 may also have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could interrupt supplies and other services from third parties upon which the Issuer relies, decrease demand for products, cause staff shortages, reduced customer traffic, and increased government regulation, all of which may materially and negatively impact the business, financial condition and results of operations of the Issuer.**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: November 5, 2020

Oren Shuster  
Name of Director or Senior  
Officer

"Oren Shuster"  
Signature

Chief Executive Officer  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer		October 2020	YY/MM/D
IM Cannabis Corp.			2020/11/06
Issuer Address			
550 Burrard Street, Suite 2300, Bentall 5			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6C 2B5		( )	0773-360-3504
Contact Name		Contact Position	Contact Telephone No.
Yael Harrosh		General Counsel and Business Manager	0773-360-3504
Contact Email Address		Web Site Address	
yael.h@imcannabis.com		<a href="http://www.imcannabis.com/">http://www.imcannabis.com/</a>	