

## NOTICE OF CHANGE IN CORPORATE STRUCTURE

### Pursuant to Section 4.9 of National Instrument 51-102 - *Continuous Disclosure Obligations* (the “Instrument”)

#### Item 1 Names of the Parties to the Transaction

IM Cannabis Corp. (formerly Navasota Resources Inc.) (the “**Company**”) and I.M.C. Holdings Ltd. (“**IMC**”), a company incorporated under the laws of Israel.

#### Item 2 Description of the Transaction

On October 11, 2019, the Company completed its previously announced business combination with IMC, which resulted in the reverse takeover of the Company by IMC (the “**RTO Transaction**”). The RTO Transaction was completed by way of a statutory triangular merger under the laws of Israel pursuant to the terms and conditions of an amended and restated business combination agreement dated September 3, 2019 between the Company, IMC and Navasota Acquisition Ltd., a wholly-owned subsidiary of the Company (the “**Definitive Agreement**”). Effective October 4, 2019 and in connection with the RTO Transaction, the Company's name was changed from Navasota Resources Inc. to IM Cannabis Corp. and the Company's issued and outstanding common shares (each a “**Common Share**”) were consolidated on the basis of one (1) post-consolidation Common Share for every 2.83 pre-consolidation Common Shares.

In accordance with the terms of the Definitive Agreement, holders of IMC ordinary shares and IMC ordinary share purchase warrants received equivalent securities of the Company on a 1:10 basis in exchange for their respective IMC securities. An aggregate of 122,827,490 Common Shares and 11,413,750 warrants to purchase Common Shares were issued to the former holders of IMC ordinary shares and IMC ordinary share purchase warrants, respectively.

Concurrently with and in connection with the closing of the RTO Transaction, the net proceeds from the Company's previously announced private placement offering of subscription receipts of a wholly-owned subsidiary (the “**Financing**”) were released from escrow and the subscription receipts were converted into 19,460,527 Common Shares and 9,730,258 Common Share purchase warrants. As a result of the completion of the RTO Transaction:

- former holders of IMC ordinary shares now hold approximately 84.27% of the issued and outstanding Common Shares;
- former holders of subscription receipts from the Financing now hold approximately 13.35% of the Common Shares; and
- pre-RTO Transaction shareholders of the Company now hold 2.38% of the Common Shares,

in each case, on a non-diluted basis.

Upon the completion of the RTO Transaction, the board of directors of the Company was reconstituted to consist of Messrs. Oren Shuster, Steven Mintz, Marc Lustig and Jesse Kaplan, with Mr. Shuster also becoming the Chief Executive Officer and Mr. Lustig becoming the Chairman. Mr. Shai Shemesh, Mr. Amir Goldstein and Ms. Yael Harrosh were appointed Chief Financial Officer, Chief Operating Officer and Corporate Secretary, respectively.

**Item 3            Effective Date of the Transaction**

October 11, 2019.

**Item 4            Names of each party, if any, that ceased to be a Reporting Issuer after the Transaction and of each Continuing Entity**

Not applicable. The Company continues to be a reporting issuer in Alberta and British Columbia.

**Item 5            Date of Reporting Issuer's first financial year-end subsequent to the Transaction, if applicable**

The Company's first financial year-end subsequent to the RTO Transaction will be December 31, 2019, as the Company has adopted the financial year-end of IMC (being the reverse take-over acquirer in accordance with Section 4.10(1)(b) of the Instrument).

**Item 6            Periods, including comparative periods, if any, of the interim and annual financial statements required to be filed for the Reporting Issuer's first financial year subsequent to the Transaction, if applicable**

The Company will file interim unaudited financial statements for IMC for the three and nine months ended September 30, 2019, on or before November 29, 2019, and annual audited financial statements for the Company for the year ended December 31, 2019 on or before April 29, 2020.

**Item 7            Documents that were filed under the Instrument that describe the Transaction and where those Documents can be found in Electronic Format, if applicable**

The following documents describing the RTO Transaction were filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com):

1. the press release of the Company dated June 25, 2018;
2. the material change report of the Company dated July 4, 2018;
3. the management information circular of the Company dated October 8, 2018, issued in connection with the annual general and special meeting of the shareholders of the Company held on November 12, 2018;
4. the press release of the Company dated November 6, 2018;
5. the material change report of the Company dated November 8, 2018;
6. the press release of the Company dated September 3, 2019;
7. the amended and restated business combination agreement between the Company, IMC and Navasota Acquisition Ltd., dated September 3, 2019;

8. the agency agreement between the Company, IMC, IM Cannabis (Finance) Ltd., Cormark Securities Inc., Canaccord Genuity Corp., First Republic Capital Corp., Haywood Securities Inc. and Mackie Research Capital Corporation, dated August 30, 2019;
9. the subscription receipt agreement between the Company, IMC, IM Cannabis (Finance) Ltd., Computershare Trust Company of Canada and Cormark Securities Inc., dated August 30, 2019;
10. the warrant indenture between the Company and Computershare Trust Company of Canada dated August 30, 2019;
11. the material change report of the Company dated September 5, 2019;
12. the press release of the Company dated October 4, 2019;
13. the Certificate of Name Change, reflecting the change of the Company's name to IM Cannabis Corp., dated October 4, 2019;
14. the press release of the Company dated October 8, 2019;
15. the press release of the Company dated October 9, 2019;
16. the press release of the Company dated October 11, 2019;
17. two material change reports of the Company, each dated October 18, 2019;
18. the listing statement of the Company dated October 29, 2019;
19. the press release of the Company dated November 1, 2019; and
20. the press release of the Company dated November 5, 2019.

**Item 7            Date of Notice**

November 19, 2019.