

# Navasota Resources Announces Proposed Debt Conversion

Toronto, Ontario--(Newsfile Corp. - April 23, 2018) - Navasota Resources Inc. (TSXV: NAV.H) (the "**Company**") is pleased to announce that it has entered into agreements to satisfy outstanding indebtedness owed to certain arm's length and non-arm's length creditors (the "**Creditors**") through the issuance of common shares of the Company (the "**Debt Settlement**"). Pursuant to such agreements, the Company intends to consolidate (the "**Consolidation**") its outstanding common shares on the basis of one post-consolidation common share for each five pre-consolidation common shares (each, a "**Post-Consolidation Common Share**") at its upcoming annual general and special meeting of shareholders, which is scheduled for June 5, 2018 (the "**Shareholder Meeting**"). If the Consolidation is approved, the Company plans to subsequently settle indebtedness of approximately \$285,633 through the issuance of 5,712,660 Post-Consolidation Common Shares at a deemed price of \$0.05 per Post-Consolidation Common Share.

Certain Creditors are considered a "related party" to the Company under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Accordingly, the Debt Settlement between the Company and such Creditors are "related party transactions" under MI 61-101. However, these transactions are exempt from the formal valuation and majority of the minority shareholder approval set out in MI 61-101 since, at the time the transaction was agreed to: (i) the securities of the Company were not listed or quoted on one of the exchanges or markets specifically identified in MI 61-101; (ii) neither the fair market value of the securities to be distributed in the Debt Settlement nor the consideration to be received for those securities, insofar as the transactions involves interested parties, exceeded \$2,500,000; and (iii) the Company has one or more independent directors and, at least two thirds of said independent directors approved the transaction, as required pursuant to sections 5.5 and 5.7 of MI 61-101.

The implementation of the Consolidation is subject to shareholder approval at Shareholder Meeting, and the Debt Settlement and Consolidation are also subject to the approval of the TSX Venture Exchange (the "**Exchange**"). The Post-Consolidation Common Shares to be issued pursuant to the Debt Settlement will be subject to a statutory hold period of four months and a day from the date of issuance.

On behalf of the Board of Directors

## **NAVASOTA RESOURCES INC.**

**"Michael Lerner"**

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This news release contains forward-looking statements and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the Consolidation and the Debt Settlement, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are risks detailed from time to time in the filings made by the Company with securities regulators.*

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. As a result, the Company cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.*