

NAVASOTA RESOURCES INC.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

Navasota Resources Inc. (the "**Company**")
120 Adelaide Street West, Unit 2105
Toronto, Ontario
M5H 1T1

Item 2: Date of Material Change

November 6, 2018.

Item 3: News Release

A news release was issued and disseminated on November 6, 2018 and filed on SEDAR at www.sedar.com, a copy of which is attached hereto as Schedule "A".

Item 4: Summary of Material Change

The Company has announced the execution of the definitive business combination agreement, which will result into a reverse takeover of the Company by I.M.C. Holdings Ltd.

Item 5.1: Full Description of Material Change

See attached news release at Schedule "A" to this report.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Steven Mintz
Chief Executive Officer and Director
T: 416.864.0578
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Item 9: Date of Report

This report is dated as of the 8th day of November, 2018.

SCHEDULE "A"

Please see attached.

Navasota and IMC Announce Signing of Definitive Agreement

Toronto, ON – November 6, 2018 – Navasota Resources Inc. (“**Navasota**”), a corporation incorporated under the laws of the Province of British Columbia, and I.M.C. Holdings Ltd. (“**IMC**”), a company incorporated under the laws of the State of Israel, are pleased to announce, further to the parties’ press release dated June 25, 2018, the execution of a definitive business combination agreement (the “**Combination Agreement**”) on November 6, 2018 which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of Navasota by IMC (the “**Proposed Transaction**”). The resulting issuer from the Proposed Transaction (the “**Resulting Issuer**”) will change its business from mining to the medical cannabis industry.

About IMC

IMC is an Israeli company that has been cultivating, producing and distributing medical cannabis products for the Israeli medical cannabis market since 2010. As one of eight original licensed producers of medical cannabis in Israel, IMC has successfully developed a proprietary range of cannabis products for patients while continuing to research and develop new genetic strains. IMC uses a low-cost, scalable model for the industrial production of cannabis through the development and utilization of proprietary automated equipment at its existing production facility, located in a highly-fertile agricultural zone in Israel. IMC is leveraging its expertise in cannabis cultivation and innovation to execute an aggressive international expansion strategy.

The Combination Agreement

Under the terms of the Combination Agreement, the Proposed Transaction will be completed by way of a triangular statutory merger under the laws of Israel, whereby Navasota Acquisition Ltd., a wholly-owned Israeli subsidiary of Navasota, will merge with and into IMC, with IMC surviving as a wholly-owned subsidiary of Navasota. In connection with the Proposed Transaction, Navasota will reconstitute its board of directors and change its name to “IM Cannabis Corp.” or such other similar name as may be accepted by the relevant regulatory authorities (the “**Name Change**”) and the Resulting Issuer will conduct its business under the new name.

The Combination Agreement includes a number of conditions, including but not limited to, requisite shareholder approvals including the approval of the shareholders of Navasota and IMC as applicable, the consolidation of Navasota’s common shares on a 1:2.83 basis (the “**Consolidation**”), the issuance of post-Consolidation Navasota common shares to holders of IMC ordinary shares (the “**IMC Shares**”) on a 10:1 basis, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction including, without limitation, the approval of the Israeli Registrar of Companies, the Israeli Tax Authorities and the Medical Cannabis Unit of the Israeli Ministry of Health (YAKAR), and other closing conditions customary to transactions of the nature of the Proposed Transaction. A special meeting of shareholders of Navasota will be held on November 12, 2018 to consider and approve the reconstitution of Navasota’s board of directors, the Name Change and the Consolidation.

Navasota is a reporting issuer under the securities laws of the Provinces of British Columbia and Alberta whose common shares were voluntarily de-listed from the NEX board of the TSX Venture Exchange on June 18, 2018. Consequently, Navasota’s common shares are currently not posted for trading on any marketplace. The Resulting Issuer will apply to list its common shares on the Canadian Securities Exchange (the “**CSE**”) and, upon the satisfaction of the CSE’s initial listing requirements, the common shares of the Resulting Issuer are expected to begin trading on the CSE following the closing of the Proposed Transaction.

Investors are cautioned that, except as disclosed in the management information circular or listing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not

be relied upon. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Pursuant to the terms of the Combination Agreement, and in connection with the Proposed Transaction:

- (a) holders of IMC Shares will receive ten (10) fully paid and non-assessable post-Consolidation Resulting Issuer shares for each IMC Share held; and
- (b) all outstanding warrants, broker warrants and options to purchase IMC Shares will be exchanged on an equivalent basis for options and warrants to purchase common shares of the Resulting Issuer.

Upon the completion of the Proposed Transaction, it is expected that holders of IMC Shares will hold approximately 97.3% of the issued and outstanding Resulting Issuer shares on a non-diluted basis.

Management of the Resulting Issuer

Subject to applicable shareholder and CSE approval, upon completion of the Proposed Transaction, the board of directors and management of the Resulting Issuer will be comprised of the following individuals:

Oren Shuster, age 50, Chief Executive Officer, Chairman and Director

Mr. Oren Shuster is a leading figure in the medical cannabis industry in Israel and the Co-Founder of IMC. Oren is a successful serial entrepreneur and businessman in the fields of global software development, technology, med-tech and more. Oren co-founded E-wave, an international software house, in 1999. E-wave employs more than 1,000 experienced software professionals, operating in the United States, Europe, Brazil, India and Israel.

Yaron Conforti, age 39, Chief Financial Officer

Mr. Yaron Conforti is a Canadian entrepreneur and an experienced CFO to private and public companies. Yaron provides management and advisory services to venture-stage companies, specializing in M&A, capital raising and listing companies on Canadian stock exchanges. He previously served in senior investment banking roles and in CEO, CFO and corporate director roles for publicly traded companies in various sectors.

Amir Goldstein, age 58, Chief Operating Officer

Amir Goldstein is a seasoned executive in the Israeli Hi-Tech industry with over 30 years of experience. Amir served in various managerial positions at Amdocs, the world leader in Telecom Billing and Customer Care software. Amir was also a founder and Executive Vice President at Cellcom LTD (Israel's leading Mobile Operator), Chairman and CEO of Todacell Inc. (an international mobile advertising company), and serves as a Managing Partner of two private equity funds, Botticelli and Afterdox.

Jesse Kaplan, age 36, Director

Jesse Kaplan, CFA, is a partner with Plaza Capital and an investment banker at First Republic Capital Corporation. He is also the Managing director of Seek Capital Management, an active investor in start-up companies. Jesse's career has focused on advising and investing in early stage growth companies, primarily in the small cap Canadian public area. This has included extensive work helping companies through the process of going public in both Canada and the United States.

Jesse was previously a senior analyst at Harborview Advisors LLC, a New York based investment firm and Palladium Capital Advisors, LLC, an investment bank that is a member of the National Association of Securities Dealers. He has sat on the boards of a number of public and private companies in Canada. Jesse holds a Bachelor of Commerce degree from the University of Toronto.

Steven Mintz, age 52, Director

Steven Mintz, CPA is a financial consultant in a variety of industries including mining, oil and gas, real estate and cannabis. He is currently President of St. Germain Capital Corp. a private consulting and investment firm as well as Principal and CFO of the Minkids Group, a family investment and real estate development company. Steve's experience spans a variety of financial and management areas of expertise from accounting in large firms to bankruptcy and insolvency. He obtained his C.A. designation in June of 1992 and Trustee in Bankruptcy license in 1995. Steve is currently a director of several public companies.

Marc Lustig, age 45, Director

Marc Lustig holds MSc and MBA degrees from McGill University. He began his professional career in the pharmaceutical industry at Merck & Co. In 2000, he started his capital markets career in institutional equity research in the life sciences sector at Orion Securities Inc. For the next 14 years, Marc worked as a senior producer at GMP Securities L.P. and as head of Capital Markets at Dundee Capital Markets before becoming Principal at KES 7 Capital. Marc founded CannaRoyalty Corp. in early 2015.

Adam K. Szweras, age 46, Director

Adam Szweras is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of the Foundation Markets Group, a Toronto-based Merchant Bank and brokerage firm. His law practice focuses on financings and going public transactions, while his banking practice focuses on developing emerging businesses. Adam represents several mid-market public companies and assists companies in listing on the Toronto Stock Exchange, the Toronto Venture Exchange, and the Canadian Stock Exchange. He sits on the boards of Aurora Cannabis Inc., Quinsam Capital Corp. (a public merchant bank dedicated to cannabis related investments), Nutritional High International Inc., and is the corporate secretary for Lineage Grow Corp. Adam has a particular expertise with cross border mid-market transactions and often acts as a strategic advisor to his clients. He works with public and private companies active in marijuana markets in Canada and the United States as well as companies with businesses in energy transmission, oil and gas and alternative energy, technology, and food producers. Adam has experience in representing clients in Canada and the United States as well as South America, China and South Asia. He joined Fogler, Rubinoff LLP and founded the Foundation Markets Group in 2006. He was called to the Ontario Bar in 1996 and has authored numerous papers and articles relating to Canadian and foreign securities and corporate law.

Sidney Himmel, age 65, Director

Sidney Himmel is the chairman of the board of Khiron Life Sciences Corp. and has over 30 years of corporate and finance experience in the Canadian markets. He worked as an executive and director of

numerous public companies, and as a corporate finance, institutional sales and research professional for notable Canadian and United States financial institutions, including Deloitte, TD Securities and Merrill Lynch Canada. His experience also includes the completion of significant financial transactions and commercial partnerships internationally as well as the oversight and development of management teams and boards. Sidney holds Bachelor of Science (Chemistry) and Bachelor of Arts (Business and Finance) degrees, both from the University of Toronto. He received his Chartered Accountant designation in 1981.

Additional Information

All information contained in this press release with respect to Navasota and IMC was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

The common shares of Navasota have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

For additional information on Navasota Resources Inc:

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For additional information on I.M.C. Holdings Ltd:

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About Navasota

Navasota Resources Inc. is a mineral exploration company with no current activities or operations and is not currently listed on a stock exchange.

Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of applicable securities laws including statements regarding the terms and conditions of the Proposed Transaction, the listing of the Resulting Issuer shares on the CSE, the special meeting of Navasota’s shareholders as well as information relating to IMC. The information about IMC contained in the press release has not been independently verified by Navasota. Although Navasota believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because Navasota can give no

assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risk that a closing condition to the Proposed Transaction is not satisfied or is not satisfied on a timely basis including, without limitation, the failure to obtain the requisite shareholder approvals, Navasota being unable to complete the Consolidation or Name Change, the failure to obtain CSE listing approval or the failure to obtain all requisite Israeli regulatory approvals. The statements in this press release are made as of the date of this release. Navasota undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of Navasota, IMC, their securities, or their respective financial or operating results (as applicable).