

# IM Cannabis Corp. (formerly Navasota Resources) Announces Closing of Additional Tranche of Financing

Toronto, Ontario--(Newsfile Corp. - October 9, 2019) - IM Cannabis Corp. (formerly Navasota Resources Inc.) (the "**Company**") is pleased to announce that, in connection with its previously announced reverse take-over transaction with IMC Holdings Ltd., (the "**Transaction**"), the Company has closed a second tranche of a previously announced private placement offering (the "**Financing**") of subscription receipts (each a "**Subscription Receipt**") of a wholly owned subsidiary of the Company ("**Finco**"). An aggregate of 412,201 Subscription Receipts were issued and sold on a non-brokered basis at a price of \$1.05 per Subscription Receipt for aggregate gross proceeds of \$432,811.05. Upon the satisfaction or waiver of, among other things, all of the condition precedents to the completion of the Transaction, each Subscription Receipt will be exchanged for one unit of Finco (a "**Finco Unit**") with each Finco Unit being comprised of one (1) common share of Finco (a "**Finco Share**") and one-half (1/2) of one (1) common share purchase warrant of Finco (a "**Finco Warrant**"). Each whole Finco Warrant will be exercisable for one Finco Share at an exercise price of \$1.30 for a period of 24 months following the closing of the Transaction. Upon closing of the Transaction, the Finco Shares and Finco Warrants will be exchanged for common shares and warrants of the resulting issuer from the Transaction (the "**Resulting Issuer**") on a 1:1 basis. The net proceeds raised will be used by the Resulting Issuer for operational expansion, business development and working capital purposes.

Closing of the Transaction is expected to occur on or about October 10, 2019. Upon the closing of the Transaction, the Company will change its business to that of IMC and the common shares of the Resulting Issuer will list for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "IMCC", subject to the fulfillment of the conditional listing requirements of the CSE.

The Company also announces that it has granted stock options for an aggregate of 50,000 common shares of the Company to two of its directors. The stock options are exercisable at \$1.05 per share for a period of three years from the date of grant.

## **About IMC**

IMC is an international medical cannabis company, and a well-known Israeli brand of medical cannabis products. In Europe, IMC is establishing a fully operational, vertically integrated medical cannabis business spearheaded by its distribution arm in Germany and augmented by strategic agreements with certified EU-GMP Standard suppliers, making it one of the only medical cannabis companies with fully integrated operations in Europe. IMC intends to leverage IMC's brand to establish a foothold in emerging medical cannabis markets including Germany, Portugal and Greece.

IMC's core Israeli business includes offering branding, know-how and other intellectual property-related services to the Israeli medical cannabis market. Its key assets in Israel include commercial agreements with licensed producers and an option to purchase licensed entities.

## **About the Company**

The Company is a mineral exploration company with no current activities or operations and is not currently listed on a stock exchange.

## **Additional Information**

All information contained in this press release with respect to the Company 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 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 the Company:**

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## **Forward-Looking Statements**

*This news release contains "forward-looking information" within the meaning of applicable securities laws including statements regarding the expected completion of the Transaction and the listing of the common shares on the CSE, the use of proceeds from the Financing as well as information relating to IMC and the Resulting Issuer. The information about IMC contained in the press release has not been independently verified by the Company. Although the Company 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 the Company 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 Transaction is not satisfied or is not satisfied on a timely basis including, without limitation, the failure to obtain all requisite Israeli regulatory approvals. The statements in this press release are made as of the date of this release. The Company undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of the Company, IMC, their securities, or their respective financial or operating results (as applicable).*

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*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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