



Newstrike Subsidiary UP Cannabis Completes Acquisition of Facility Capable of Adding 12,000kg of Annual Production Capacity

- Company Adds Efficient, Modern, Dutch-Style Greenhouse to Expanding Portfolio of Growing Platforms -

TORONTO, ONTARIO – August 1st, 2017 – Newstrike Resources Ltd. (TSXV:HIP) ("Newstrike" or the "Company") announced today that its wholly-owned subsidiary Up Cannabis Inc. ("Up" or "Up Cannabis"), has completed its previously announced acquisition of a modern greenhouse facility along with related equipment, chattels and approximately 16.6 acres of land located in Ontario's Niagara region (the "Acquisition").

The Acquisition was financed in-part through a secured acquisition facility provided by a syndicate of Newstrike officers, directors and shareholders, led by Beechhill Capital Corp. with the balance funded from existing capital resources.

Acquisition Highlights:

- Situated in the Niagara Region along a major transportation corridor: The Acquisition adds approximately 160,000 sq. feet of cultivation space, capable of producing approximately 12,000kg of dried cannabis per year, to Up Cannabis' existing portfolio of growing platforms;
- Adds approximately 40,000 sq. feet of dedicated space suitable for administration, as well as the packaging and shipping/receiving of Up products;
- Includes 16.6 acres of land, which has the expansion potential to add up to an additional 140,000 sq. feet of production space which Up believes will increase capacity by a further 10,000kg to an aggregate potential capacity of 25,000 kg annually.
- Up plans to apply for licensing of this new facility under the *Access to Cannabis for Medical Purposes Regulations* ("ACMPR") as a "Site B", or adjunct to its existing licensed facility in Brantford, Ontario.

"The closing of the Acquisition marks the achievement of another important milestone in the realization of Newstrike's strategic growth plan", Said Jay Wilgar, CEO. "It will allow for Up to increase production capacity by a factor of five, while also introducing potential efficiencies into our operations through economies of scale and the associated potential cost savings", added Wilgar.

Annual Financial Statements:

The Company has also issued its Audited Financial Statements, Notes and MD&A (collectively, the "Audited Statements") for the fiscal year-ended March 31, 2017. Copies are available at www.sedar.com. Shareholders should note that the period covered by the Audited Statements predates the completion of the business combination with resulted in the Company shifting operations to focus exclusively on the evolving market for cannabis in all acceptable forms.

About Newstrike:

Newstrike is the parent company of Up Cannabis Inc., a licensed producer of medical cannabis based in Brantford, Ontario that received its cultivation license on December 19th, 2016.

Newstrike, through its ownership of licensed producers, intends to develop a diverse network of



high quality cannabis brands that addresses the needs of medical clients and eventually, as the law allows, adult consumers.

For more information visit www.newstrike.ca.

Forward-Looking Information:

This press release contains forward-looking information based on current expectations. Statements about the production capacity, expansion plans and licencing through the ACMPR are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that they will remain in force as described above. Newstrike assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

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

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