



NEWSTRIKE COMPLETES \$4 MILLION CONVERTIBLE DEBT OFFERING

TORONTO, ONTARIO – October 2, 2017 – Newstrike Resources Ltd. (TSXV:HIP) (“**Newstrike**” or the “**Company**”) is pleased to announce that it has issued a secured convertible debenture (the “**Debenture**”) in the principal amount of \$4,000,000 to a strategic arm’s-length lender. The Debenture will mature in three years and bears interest at the rate of 8% per annum, payable quarterly. The Debenture is convertible at the option of the lender into common shares of the Company, at a price per common share of \$0.365. At the time of conversion of the Debenture, accrued and unpaid interest is convertible at the option of the lender into common shares of the Company, at the higher of \$0.365 or the market price at the time of conversion. In the event of a change of control, the principal under the Debenture, plus accrued and unpaid interest and a premium of 10% of the principal, will be payable. In such event, the premium and accrued interest are convertible at the option of the lender into common shares of the Company, at the higher of \$0.365 or the market price at the time of conversion.

The Company also issued to the lender 10,958,904 common share purchase warrants, each exercisable to purchase one common share of the Company at a price of \$0.42 per common share for three years.

Newstrike intends to use \$3,000,000 of the funds received from the financing to retrofit its greenhouse property in Beamsville, Ontario and the balance for general corporate purposes. The Debenture is secured by a first mortgage charge on the Company’s property located in Beamsville, Ontario, consisting of approximately 16.6 acres of land and building, subject to customary permitted liens.

All of the securities issued pursuant to the financing are subject to a hold period until January 30, 2018.

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 19, 2016.

Newstrike, through its ownership of licensed producers, intends to develop a diverse network of high quality cannabis brands.

For more information visit www.newstrike.ca or contact Allan Rewak at (647) 206-1231

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