



For Immediate Release

CanniMed to Acquire Up Cannabis Inc. (Newstrike Resources Ltd. – TSX-V:HIP) to Create a Premier Global Cannabis Company

Transaction Highlights

- **Combining the leading medical brand and a high profile recreational brand to create a premier global cannabis company**
- **Well positioned to offer innovative, high quality products with two top tier distinct brands uniquely positioned to address key product trends and emerging drivers of growth in both market segments**
- **CanniMed and Up Cannabis will leverage infrastructure and expertise across both platforms to drive strong synergistic value while focusing on being leaders in their distinct markets, with best-in-class production and marketing practices**
- **Expected to be accretive (before synergies) on key metrics by 2019**
- **The Tragically Hip remain intimately involved as shareholders and active participants in the creation and support of the Up Cannabis brand**
- **Significantly improves operational scale with a targeted 45,000 kg of capacity by 2019 and market breadth**
- **Improved capital markets presence with a pro-forma capitalization exceeding \$500mm**
- **Newstrike shareholders to receive 33.0 CanniMed shares for each 1,000 shares of Newstrike**

Saskatoon, SK & Oakville, ON – November 17, 2017: CanniMed Therapeutics Inc. (TSX: CMED) (“CanniMed”) and Newstrike Resources Ltd. (TSX-V: HIP) (“Newstrike”) are pleased to announce that they have reached a definitive agreement (the “Arrangement Agreement”) pursuant to which CanniMed will acquire all of the outstanding shares of Newstrike (the “Arrangement”), parent company of Up Cannabis Inc. (“Up Cannabis”), a licensed producer of cannabis under the *Access to Cannabis for Medical Purposes Regulations* (ACMPR).

“This is a transformational strategic acquisition for our company, which will position CanniMed and Up Cannabis together as premium players in the emerging recreational cannabis marketplace, while equally staying true to our mandate to provide the best treatment and care to medical patients,” said Brent Zettl, President and CEO, CanniMed. “Together, we recognize the importance of brand loyalty and will continue to build products, programs and resources to showcase our leadership in the cannabis arena.”

Jay Wilgar, President and CEO of Up Cannabis, stated: “This is a watershed moment for Up Cannabis as we prepare for the opening of the recreational cannabis market opportunity in 2018. This business combination with CanniMed positions our collective team as a clear market leader, and we will work tirelessly to ensure that we keep building a brand and product offering that resonates unequivocally with the market.”

The Arrangement will be by way of a plan of arrangement pursuant to which each Newstrike shareholder will receive 0.033 CanniMed shares in exchange for each Newstrike share held. Subsequent to closing of the Arrangement, the current CanniMed shareholders will own in aggregate approximately 65 per cent of the combined entity and the Newstrike shareholders will in aggregate own approximately 35 per cent of the combined entity.

Completion of the Arrangement is subject to the approval of shareholders of both companies at special meetings of the shareholders of each company. Newstrike will require the approval of 66 2/3 per cent of the shareholders that vote, by person or in proxy at the meeting, as well as a simple majority of the shareholders that vote, by person or in proxy, at the meeting, excluding certain insiders. CanniMed will require the approval of a simple majority of the shareholders that vote, by person or in proxy, at the meeting. Both companies will be communicating the timing and conduct of those meetings which are expected to be scheduled for early January 2018. Closing of the transaction is anticipated to occur in January 2018.

Arrangement Summary

The Arrangement Agreement provides that Newstrike shareholders will be entitled to receive 0.033 common shares of CanniMed for each Newstrike common share held, representing consideration of approximately C\$0.505 per Newstrike common share based on the closing price of CanniMed common shares on November 14, 2017. Upon closing of the Arrangement, Newstrike will become a wholly-owned subsidiary of CanniMed.

The Arrangement Agreement provides that both parties are subject to non-solicitation provisions and provides that the board of both companies may, under certain circumstances, terminate the Arrangement in favour of an unsolicited superior proposal, subject to the payment of a termination fee of C\$5 million by Newstrike to CanniMed or C\$9.5 million by CanniMed to Newstrike, as the case may be. In addition, the Arrangement Agreement includes provisions providing for expense reimbursement of up to \$600,000 from one party to the other in the event that the agreement is terminated under certain circumstances.

The Arrangement Agreement provides that on closing of the Arrangement, the board of directors of the combined entity will include two persons who will be nominated by Newstrike. In addition, certain shareholders of Newstrike will be entitled to nominate two persons to the CanniMed board of directors at its 2018 annual shareholders’ meeting and will have a right to nominate one person to the board at each annual meeting for so long as they hold at least 10 per cent of the outstanding CanniMed shares.

Under applicable TSX rules, the transaction requires the approval of CanniMed shareholders by a majority vote, as the number of CanniMed common shares to be issued exceeds 25 per cent of the total number of outstanding CanniMed common shares.

Closing remains subject to approval of the shareholders of both CanniMed and Newstrike, court approval, the approval of the TSX, applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature.

The Arrangement Agreement contains other customary representations, warranties, covenants and conditions to closing. Additional details of the Arrangement is expected to be provided to Newstrike and CanniMed shareholders in respective information circulars to be mailed in late 2017.

Board Recommendations

The definitive agreement has been approved by the Board of Directors of each of CanniMed and Newstrike and the Boards each recommend that their respective shareholders vote in favour of the Arrangement.

Financial and Legal Advisors

AltaCorp Capital Inc. is acting as financial advisor to CanniMed and has provided a fairness opinion to the CanniMed Board of Directors with Borden Ladner Gervais LLP acting as legal advisor to CanniMed. Cormark Securities Inc. has provided a fairness opinion to the CanniMed Board of Directors.

The Aurora Proposal

On November 15, 2017, CanniMed issued a press release responding to a press release from Aurora Cannabis Inc. ("Aurora") regarding its intention to make an unsolicited offer for all of CanniMed's shares. Since the date of that press release, Aurora has not made a formal offer for CanniMed's shares.

As no formal offer has been made, CanniMed continues to advise shareholders to take NO action with respect to the unsolicited proposal.

In making its recommendation to shareholders to vote in favour of the Arrangement, the Board of Directors of CanniMed considered, among other things, the following:

- (i) the Newstrike acquisition is accretive and is a highly strategic entry into the recreational cannabis market;
- (ii) the terms of any Aurora offer are unknown, whereas the transaction with Newstrike has been fully negotiated and contains only reasonable conditions to closing.

CanniMed will respond to the Aurora proposal if a formal offer is made.

Conference Call Information

CanniMed and Newstrike will host a conference call and a webcast accompanied by slides to discuss the transaction on Monday, November 20, 2017 at 10:00 AM EST. Analysts, investors and media are invited and welcome to participate. Advisory with contact information will follow Monday pre-market.

About CanniMed Therapeutics Inc.

CanniMed is a Canadian-based, international plant biopharmaceutical company and a leader in the Canadian medical cannabis industry, with 16 years of pharmaceutical cannabis cultivation experience, state-of-the-art, GMP-compliant production process and world class research and development platforms with a wide range of pharmaceutical-grade cannabis products. In addition, the Company has an active plant biotechnology research and product development program focused on the production of plant-based materials for pharmaceutical, agricultural and environmental applications.

CanniMed, through its subsidiaries, was the first producer to be licensed under the *Marihuana for Medical Purposes Regulations*, the predecessor to the current *Access to Cannabis for Medical Purposes Regulations*. It was the sole supplier to Health Canada under the former medical cannabis system for 13 years, and has been producing safe and consistent medical cannabis for thousands of Canadian patients, with no incident of product diversion or recalls.

For more information, please visit our websites: www.cannimed.ca (patients) and www.cannimedtherapeutics.com (investors).

About Newstrike and Up Cannabis

Newstrike is the parent company of Up Cannabis, a licensed producer of cannabis that received its cultivation license on December 19, 2016. Newstrike, together with its strategic partners, is developing a diverse network of high quality cannabis brands. For more information visit www.up.ca or www.newstrike.ca.

Notice Regarding Forward Looking Statements

This news release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanniMed and Newstrike to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to our expectations with respect to: the timing and outcome of the proposed acquisition of all the issued and outstanding common shares of Newstrike; the terms of any formal offer by Aurora; the anticipated benefits of the transaction to the parties and their respective security holders; impact of the transaction and enhanced infrastructure on production capabilities; and the anticipated timing of the meeting of CanniMed and Newstrike shareholders to consider the transaction and for the closing of the transaction. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”,

“could”, “would”, “might” or “will” be taken, occur or be achieved. In respect of the forward-looking statements and information concerning the anticipated benefits and completion of the proposed transaction and the anticipated timing for completion of the transaction, CanniMed and Newstrike have provided such statements and information in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail security holder meeting materials; the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court and shareholders approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the transaction; and other expectations and assumptions concerning the transaction. There can be no assurance that the proposed transaction will occur, or that it will occur on the terms and conditions contemplated in this news release. The proposed transaction could be modified, restructured or terminated. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the parties are included in reports on file with applicable securities regulatory authorities.

The forward-looking statements contained in this news release are made as of the date of this release and, accordingly, are subject to change after such date. CanniMed and Newstrike do not assume any obligation to update or revise any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, except as required by applicable law.

None of the Toronto Stock Exchange, TSX Venture Exchange and their Regulation Services Providers accept responsibility for the adequacy or accuracy of this release.

Completion of the Arrangement is subject to a number of conditions, including but not limited to, TSXV and TSX acceptance and if applicable, disinterested shareholder approval. Where applicable, the Arrangement cannot close until the required shareholder approval is obtained. There can be no assurance that the Arrangement will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Arrangement, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of Newstrike and CanniMed should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

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