



Newstrike Completes Previously Announced \$80 Million Bought Deal Financing

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TORONTO, ONTARIO – February 16, 2018 – Newstrike Resources Ltd. (TSXV:HIP) (“Newstrike” or the “Company”) is pleased to announce that it has closed its previously announced short form prospectus offering on a bought deal basis. A total of 60,610,000 units of the Company (“Units”) were sold at a price of \$1.32 per Unit (the “Issue Price”), for aggregate gross proceeds of \$80,005,200 (the “Offering”). The Offering was underwritten by a syndicate of underwriters co-led by INFOR Financial Inc. and Cormark Securities Inc. and including Eight Capital and Haywood Securities Inc. (collectively, the “Underwriters”).

“This transformational Offering provides Newstrike and our wholly-owned licensed producer, Up Cannabis, with the capital required to complete our Niagara Facility, accelerate and enhance the national launch of the Up-Cannabis brand and seize select strategic opportunities that complement our growth strategy”, said Jay Wilgar, Newstrike’s CEO.

In addition, as previously announced, the Company has granted the Underwriters an over-allotment option to purchase up to an additional 15% of the Units at the Issue Price, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the closing of the Offering. If this option is exercised in full, an additional \$12,000,780 will be raised pursuant to the Offering and the aggregate proceeds of the Offering will be \$92,005,980.

Each Unit is comprised of one common share of the Company (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant shall entitle the holder thereof to purchase one additional Common Share at an exercise price of \$1.75, for a period of 24 months following the closing of the Offering. In the event that the volume weighted average trading price of the Common Shares for ten (10) consecutive trading days exceeds \$2.60, the Company shall have the right, subject to the approval of the TSX Venture Exchange (the “TSXV”), to accelerate the expiry date of the Warrants upon not less than fifteen (15) trading days’ notice. The Company has applied to list the Warrants for trading on the TSXV.

“The endorsement of INFOR Financial, Cormark Securities, Eight Capital and Haywood Securities is a tremendous complement to our already-strong shareholder-base and an important demonstration of confidence from the capital markets”, noted Scott Kelly, Newstrike’s Executive Chair. “We are grateful for the assistance and guidance of our legal team at Cassels Brock & Blackwell LLP and our auditors, DMCL LLP as well as the long-term support of PowerOne Capital, Primary Capital and CRM Global Capital.”

The Company intends to use the proceeds of the Offering to build-out its production facilities, for the retirement of certain debt obligations and for general, corporate and select strategic purposes.

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 state in which such offer, solicitation or sale

would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and applicable state securities laws.

For further information, please contact:

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About Newstrike and Up Cannabis

Newstrike is the parent company of UP Cannabis Inc. (“Up Cannabis”), a licensed producer of cannabis that received its cultivation license on December 19, 2016, and was granted an amendment to begin sales on January 5, 2018. Up Cannabis is in turn the parent company of Up Cannabis Niagara Inc. Newstrike, together with its strategic partners, including Canada’s iconic musicians, The Tragically Hip, is developing a diverse network of high quality cannabis brands. For more information visit www.up.ca or www.newstrike.ca.

Forward-Looking Information

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 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 Newstrike’s expectations with respect to the use of proceeds of the Offering, the exercise of the over-allotment option and the listing of the Warrants for trading on the TSXV. 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. 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. 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.

Newstrike does 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.

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