

September 24, 2018



Up Cannabis Signs Supply Agreement with MediPharm Labs for Extraction

Licensed Producer Retains Right to First Purchase of Oil or Distillate Created from Supplied Cannabis

TORONTO, ONTARIO - September 24, 2018 - Newstrike Brands Ltd. (TSX-V:HIP) ("Newstrike"), is pleased to announce its wholly-owned subsidiary Up Cannabis Inc. ("Up Cannabis"), has entered into a supply agreement with MediPharm Labs Inc. ("MediPharm Labs"), pursuant to which Up Cannabis will supply MediPharm Labs with a total of up to 1,200 kg of excess cannabis product in the form of flower and shake that will be used for the purposes of extraction and the creation of cannabis oil and/or distillate.

"We are very pleased to partner with MediPharm Labs, a leader in cannabis extraction technologies, for this arrangement," said Jay Wilgar, CEO of Newstrike and Up Cannabis. "This allows us to optimize revenue from our harvests and our agreement gives Up Cannabis the right of first refusal in the purchase of the extracted oil or distillate, supporting our new product strategy as the adult-use market for these products becomes legalized."

"MediPharm Labs has been building reserves of biological assets in advance of legalization. Adding Up Cannabis as a supply partner known for premium cannabis, strengthens our ability to produce a steady supply of premium, pure, cannabis concentrates for this new consumer market," says Pat McCutcheon, CEO of MediPharm Labs. "We're ready to formulate purified cannabis oil with our new valued partner."

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About Newstrike and Up Cannabis

Newstrike is the parent company of Up Cannabis Inc., a licensed producer of cannabis that is licensed to both cultivate and sell cannabis in all acceptable forms. Newstrike, through Up Cannabis and together with select strategic partners, including Canada's iconic musicians The Tragically Hip, is developing a diverse network of high quality cannabis brands. For more information, visit <http://www.up.ca> or <http://www.newstrike.ca>

About MediPharm Labs Inc.

Founded in 2015, MediPharm Labs Inc. ("MediPharm Labs") is a pioneer in the cannabis industry and has the distinction of being the first company in Canada to become a licensed producer for cannabis oil production under the Access to Cannabis for Medical Purposes Regulations (ACMPR) without first receiving a cannabis cultivation licence. This expert focus on cannabis concentrates from our cGMP (current Good Manufacturing Practices) and ISO standard clean rooms and critical environments laboratory, allows MediPharm Labs to work with its established, Health Canada-approved cultivation partners to produce pharmaceutical-grade cannabis oil with a competitive advantage. MediPharm Labs is research-driven and focused on downstream secondary extraction methodology,

distillation, and cannabinoid isolation and purification. MediPharm Labs provides B2B contract processing of cannabis to Canadian authorized licensed producers and appropriate international growers, supplying integrity-assured cannabis oil to qualified companies for sale under their own brand. In addition, MediPharm Labs will supply raw materials, formulations, processing and packaging for the creation of ready-to-sell advanced derivative products. Through its subsidiary, MediPharm Labs Australia Pty. Ltd., MediPharm Labs has also completed its application process with the federal Office of Drug Control to extract and import medical cannabis products in Australia.

Website: www.medipharmlabs.com

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 including but not limited to the sale of cannabis to MediPharm Labs and the exercise of the right of first refusal over oil or distillate extracted from supplied cannabis, if any. 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.

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