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## **GOLDSTRIKE ANNOUNCES PROPOSED SPIN-OFF OF WHITE GOLD DISTRICT PROPERTIES**

### **Highlights:**

- **Goldstrike's six 100% owned properties with no underlying royalties or property payments in the White Gold District, Yukon to be spun-out as a standalone public company, Luckystrike Resources Ltd.**
- **Transaction intended to maximize value, allowing the White Gold District properties to be advanced on a standalone basis, while giving shareholders the optionality of participating in both companies.**
- **On completion, Luckystrike will have a strong balance sheet with a \$2.5 million investment from Goldstrike as well as potential additional third-party private placement financing of up to \$2.5 million.**
- **Goldstrike shareholders to receive Luckystrike shares on a 1 for 7 basis. On a pro forma basis, Goldstrike shareholders are expected to own approximately 76% and Goldstrike is expected to own approximately 24% of the outstanding Luckystrike shares.**

**May 16, 2018 – Goldstrike Resources Ltd. ("Goldstrike" or the "Company") (GSR.V)** is pleased to announce the proposed spin-off of its six 100% owned properties located in the White Gold District, Yukon by way of a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia).

In furtherance thereof, the Company has entered into an arrangement agreement (the "**Agreement**") with Luckystrike Resources Ltd. ("**Luckystrike**"), a wholly-owned subsidiary of the Company. Pursuant to the Arrangement, among other things:

- Goldstrike shareholders will receive one common share of Luckystrike (a "**Luckystrike Share**") for every seven common shares of Goldstrike held; and
- Luckystrike will indirectly acquire the Company's six 100% owned White Gold District properties, being the Lucky Strike, Hotspot, the Bull's Eye, BRC, Gold Source and King's Ransom properties.

In addition, prior to completion of the Arrangement, Goldstrike will invest an aggregate of \$2.5 million in Luckystrike, by subscribing for 8,333,334 units (the "**Units**") of Luckystrike at a subscription price of \$0.30 per Unit, with each Unit consisting of one Luckystrike Share and one warrant exercisable into a Luckystrike Share at a subscription price of \$0.60 or such other price as may be acceptable to the Company and Luckystrike for a period of three years after closing, subject to acceleration if the Luckystrike Shares trade at a price of \$1.00 or more for 10 consecutive trading days. The Agreement also contemplates the completion of an additional non-brokered private placement of subscription receipts by Luckystrike in the amount of up to \$2.5 million, with each Subscription Receipt converting into Units upon closing of the Arrangement.

The board of directors of Goldstrike has determined that the Arrangement is in the best interests of Goldstrike. Among other things, the separation of the White Gold District properties into a separate public company will position such assets to be valued on a standalone basis. In addition, the transaction will allow Goldstrike management to focus their efforts on the Company's existing strategic partnership regarding the Plateau project with Newmont Mining Corporation with Luckystrike's management focused on exploring and developing the White Gold District properties.

Terrence King, Chairman, President and Chief Executive Officer of Goldstrike stated: "We are pleased to announce the Arrangement, which we believe will help unlock and maximize value for our shareholders. On completion, Luckystrike will be positioned well to advance our efforts in the White Gold District, with a strong balance sheet and experienced management team. We look forward to updating shareholders on this transaction as it progresses."

The Company intends to apply for a listing of the Luckystrike Shares on the TSX Venture Exchange (the "**TSX-V**"). Any such listing will be subject to Luckystrike fulfilling all of the requirements of the TSX-V.

It is currently expected that the directors of Luckystrike on completion of the Arrangement, will consist of William Chornobay, Yilu (Lucy) Zhang, Terrence King, Reimar Koch and Ewan Webster, with Mr. Chornobay acting as President and Chief Executive Officer and Ms. Zhang acting as Chief Financial Officer.

In addition, pursuant to the Arrangement, holders of Goldstrike options and warrants will exchange such securities for new options and warrants of Goldstrike and Luckystrike, which are exercisable into shares of such companies on their existing terms with necessary adjustments for the Arrangement based on the proportionate value of the White Gold District properties.

The Arrangement is expected to be effected by way of a plan of arrangement under the *Business Corporations Act* (British Columbia) and remains subject to customary conditions, including, among other things, the approval by the TSX-V, approval by an affirmative vote of 66 2/3% of shareholders of Goldstrike in attendance at a shareholders' meeting, and approval of the Supreme Court of British Columbia.

Additional details of the Arrangement will be included in the information circular to be mailed to shareholders of Goldstrike in connection with the Company's shareholders meeting referred to above.

ON BEHALF OF THE BOARD

Terrence E. King  
Chairman, President and

## Chief Executive Officer

For new information from the Company's programs, please visit Goldstrike's website at [GoldstrikeResources.com](http://GoldstrikeResources.com) or contact Jeff Stuart of King James Capital Corporation, handling Investor Relations for the Goldstrike, by telephone at (604) 210-2150 or by email at [jstuart@kingjamescapital.com](mailto:jstuart@kingjamescapital.com).

*Neither the 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.*

### *Forward-Looking Statements*

*Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities legislation. Forward-Looking Information includes, but is not limited to, the timing and completion of the Arrangement and proposed financings of Luckystrike, the satisfaction of the conditions under the Agreement and the expected benefits of the Arrangement. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as "anticipates", "expects", "understanding", "has agreed to" or variations of such words and phrases or statements that certain actions, events or results "would", "occur" or "be achieved". Although Goldstrike has attempted to identify important factors and risks that could affect Goldstrike and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended, including, without limitation: not receiving the requisite shareholder or regulatory approvals for completion of the Arrangement or otherwise satisfying the conditions thereto; failure to complete the proposed financings on acceptable terms or at all; inherent risks involved in the exploration and development of mineral properties; the uncertainties involved in interpreting drill results and other exploration data; the potential for delays in exploration or development activities; the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with Goldstrike's expectations; accidents, equipment breakdowns, title and permitting matters; labour disputes or other unanticipated difficulties with or interruptions in operations; fluctuating metal prices; unanticipated costs and expenses; uncertainties relating to the availability and costs of financing needed in the future, including to fund any exploration programs on its projects; that Goldstrike may not be able to confirm historical exploration results and other risks set forth in Goldstrike's public filings at [www.sedar.com](http://www.sedar.com). In making the forward-looking statements in this news release, Goldstrike has applied several material assumptions, including the assumption that general business and economic conditions will not change in a materially adverse manner. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, Goldstrike does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.*