

Newstrike Announces Issuance of Warrants

Toronto, Ontario, January 12, 2007 – Newstrike Resources Ltd. (TSX-V: NR) (“Newstrike”) announces today that it has issued an aggregate of 50,000 share purchase warrants to Mr. Leonard Cunningham as partial consideration for the consulting services of Mr. Cunningham to be provided pursuant to a consulting agreement between Mr. Cunningham and Newstrike dated November 1, 2006. Each such share purchase warrant entitles the holder thereof to acquire one common share of Newstrike at a price of \$0.40 until January 12, 2009. The share purchase warrants are subject to a four month hold period expiring May 13, 2007, in accordance with applicable securities laws.

The consulting services of Mr. Cunningham are being provided to Newstrike in connection with the Cunningham property located in Holmes Township, Ontario, in which Newstrike holds an option to acquire a 100% interest (subject to a 2% net smelter royalty and certain surface rights which will remain the property of the vendors). In order to earn its interest in the Cunningham property, Newstrike must make aggregate cash payments of \$385,000 and incur aggregate exploration expenditures of \$238,000 on the property, in tranches over a four year period, all pursuant to an option agreement dated November 1, 2006.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.