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Aphria Inc.

TSX VENTURE : [APH](#)

## **Aphria Announces Board Approval of \$5 Million Two-Phase Capacity Expansion**

**Anticipated demand underpins decision to significantly increase production to approximately 7500 kilograms over next 12-18 months**

**LEAMINGTON, ONTARIO--(Marketwired - March 18, 2015)** - Aphria Inc. (TSX VENTURE:APH) ("Aphria" or the "Company") announced today that at a special meeting of its board of directors the Company received approval for a two-phase expansion of its medical marijuana ("MMJ") growing facility in Leamington Ontario. Currently, Aphria has 22,000 square feet of production space located within a larger 450,000 square foot greenhouse facility.

Commensurate with its expansion, Aphria will be working with Health Canada to increase the amount of MMJ it is permitted to cultivate and sell under the *Marihuana for Medical Purposes Regulations*.

The first phase of the expansion involves the retrofit of three existing greenhouses adjacent to the Company's current facilities and is expected to be completed by the beginning of August. There will be no impact on current production during construction. This initial expansion is budgeted to cost approximately \$1 million and will nearly double Aphria's MMJ production space to approximately 42,000 square feet.

Proposals for a second larger-scale development will be presented to the Company's board of directors at the end of the summer. As currently contemplated, the second phase will add an incremental 88,000 square feet of advanced technology greenhouse capacity and will give Aphria the ability to increase production of MMJ to approximately 7500 kilograms on an annualized basis. In total, the two-phase project is expected to cost approximately \$5 million and will be funded by cash on hand.

"This industry is unfolding at a rapid pace and our growth strategy is advancing in lockstep," commented Vic Neufeld, Chief Executive Officer of Aphria. "We believe that in order to meet anticipated demand in the near to mid-term, it is prudent to commence the expansion of our production facility immediately in order to ensure continuous supply. Our patient users are used to getting product when they need it and without waiting."

Neufeld continued, "While the majority of other licensed producers of MMJ in Canada are focused solely on retail, we have the ability to pursue both a retail and wholesale growth strategy. Not only does management have extensive experience in retail pharma, Aphria's team has been growing plants in greenhouses on a large commercial scale for nearly sixty years."

## About Aphria

Aphria, a company continued under the laws of the Province of Ontario and based in Leamington, Ontario, is in the business of producing, supplying and selling medical marijuana pursuant to the *Marihuana for Medical Purposes Regulations* (the "MMPR"). Under the MMPR, Health Canada is responsible for the oversight of commercial medical marijuana growers such as Aphria. Aphria's common shares are listed on the TSX Venture Exchange under the ticker symbol "APH".

*CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements with respect to anticipated future demand for MMJ, costs and expectations on future expansion plans and associated increases in MMJ production. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving medical marijuana; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the medical marijuana industry in Canada generally, income tax and regulatory matters; the ability of Aphria to implement its business strategies; competition; crop failure; currency and interest rate fluctuations and other risks.*

*Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*

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

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