



Aphria Secures Immediate Access to Eight-Fold Production Increase, With Fully Built-Out Capacity of 1,000,000 Square Feet

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Leamington, Ontario – April 7, 2016 – Aphria Inc. (“Aphria” or the “Company”) (TSX-V: APH) is pleased to announce that it has entered into a definitive Purchase Agreement to acquire approximately 360,000 square feet of existing production space, located on 36 acres of land in Leamington, Ontario for total consideration of \$6.5 million. As part of the agreement, Aphria acquired vacant lands that will allow it to build an additional 640,000 square feet of growing space. The purchase price is comprised of a cash payment on closing of \$3.25 million and a vendor take-back mortgage of \$3.25 million. The vendor take-back mortgage has a 5 year term and bears annual interest at 6.75%. The Company anticipates closing the transaction on June 30, 2016. Based on current average retail selling prices and production yields, Aphria generates \$580 per square foot a year.

The vendor under the Purchase Agreement is Cacciavillani and F.M. Farms Ltd., operating as CF Greenhouses, (currently Aphria’s landlord), a company having common ownership with Co-Founder and Chief Operating Officer, Cole Cacciavillani. This transaction is considered non-arms length due to Mr. Cacciavillani’s ownership and director and management positions at Aphria. As a condition of the acquisition, the Company will terminate its existing lease and support services agreement for the greenhouse space it currently utilizes and other infrastructure providing ancillary services.

Given Mr. Cacciavillani’s position with the Company, the transaction constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). While MI 61-101 would generally subject the transaction to minority shareholder approval and formal valuation requirements, the Company will avail itself of the exemptions applicable under Sections 5.5(a), 5.5(b) and 5.7(a) of MI 61-101.

“As we continue to exceed our revenue and profitability expectations, it is essential to secure both near-term and long-term capacity growth on our existing site”, says Vic Neufeld, Chief Executive Officer. “The assets purchased lay the foundation for Aphria to remain an industry leader in Canadian medical marijuana as oil extraction comes on-stream and the recreational marijuana market becomes legislated.”

The Purchase Agreement remains subject to regulatory approvals, including the approval of the TSX Venture Exchange.

About Aphria

Aphria Inc., 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 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”. For more information, visit www.Aphria.com.



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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”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements with respect to announced but not completed business transactions, internal expectations, expectations for future growing and licensed capacity, expectations concerning receipt of governmental and regulatory approvals, average retail selling prices, production yields, annual sales expectations and expectations with respect to future production costs and synergies, expectation with respect to the medical marijuana industry specifically and the marijuana industry generally. 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.