



## Aphria announces project to more than double growing capacity Aphria invests to leverage oil extraction expertise

<http://www.marketwired.com/press-release/aphria-announces-project-to-more-than-double-growing-capacity-tsx-venture-aph-2130708.htm>

**Leamington, Ontario** – June 2, 2016 – **Aphria Inc. ("Aphria" or the "Company") (TSX-V: APH)** is pleased to announce that its board approved a fully funded \$10 million capital project increasing Aphria's Marihuana for Medical Purposes ("MMPR") ready greenhouse square footage from approximately 43,000 square feet to 100,000 square feet. The capital project includes 57,000 square feet of MMPR greenhouse space, an 8,000 square foot corporate office, 2,400 square feet of new Level 10 vault space, and electrical and sewer upgrades necessary for the operation of Aphria's current and future greenhouse space. The capital project is expected to increase the Company's annual growing capacity from 2,500 kgs to 5,500 kgs. The Company will begin the capital project in early July after it closes its previously announced land acquisition with Cacciavillani and F.M. Farms Ltd., operating as CF Greenhouses (Aphria's current landlord). Completion of the project and Health Canada's approval of the space is anticipated to occur in advance of the federal government's pledge to introduce legislation legalizing marijuana in the spring of 2017.

"The doubling of our MMPR greenhouse growing space reflects the growing medical cannabis market in Canada," says Vic Neufeld, CEO of Aphria. "Aphria's toolkit, which includes its commitment to commercialized greenhouse marijuana growing, fastidious patient care, oil extraction technology and an unwavering commitment to quality, took a major step forward today. Aphria's future remains bright."

### Oil extraction investment

The Company also announced that it recently acquired a 7.2% equity interest in Cannabis Royalties & Holding Corp. ("CRHC"), a Canadian corporation with multiple investments in the cannabis space, particularly in the areas of intellectual property, delivery systems and extraction and processing technologies, for \$1.5 million. The Company's investment is part of its strategy to develop extraction expertise for the Canadian market.

### Stock Option Grant

The Company granted 278,000 stock options to directors, officers and employees of the Company with an exercise price of \$1.40 for a term of five years.

### 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 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". For more information, visit [www.Aphria.com](http://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 internal expectations, estimated margins, expectations for future growing capacity, the completion of the land acquisition with CF Greenhouses, the completion of the capital project, any commentary related to the legalization of marijuana and the timing related thereto, expectations of Health Canada approvals and expectations with respect to future production costs. 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.