



Aphria enters into IP transfer agreement in Arizona Aphria secures 5% membership interest in Copperstate Farms, LLC

Leamington, Ontario – October 27, 2016 – Aphria Inc. (“Aphria” or the “Company”) (TSX-V: APH or USOTCQB: APHQF) announced today that it has entered into an Intellectual Property transfer agreement with Copperstate Farms, LLC (“Copperstate”). Arizona’s medical cannabis program was approved by voters in 2010. At the same time as securing a licence to produce and sell medical cannabis, Copperstate purchased a 40-acre (equivalent to 1.7 million square feet) high-tech, Dutch style greenhouse facility in Snowflake, AZ. Copperstate has one of the largest medical cannabis greenhouse facilities in Arizona. As part of the transaction, Aphria will share its accumulated knowledge, gained during its 5-year MMAR/MMPR/ACMPR journey, related to growing cannabis in greenhouses in exchange for a 5% ‘cashless’ membership interest in Copperstate, entitling Aphria to 5% of the free cash flow generated by Copperstate.

The remaining membership interests of Copperstate will be held by Copperstate Farms Investors LLC (“Investors”). The General Partners of Investors are Fife Symington and Scott Barker. Mr. Symington, a 20-year veteran of greenhouse growing, owns over 850 covered acres of greenhouses (equivalent to 37 million square feet) in Mexico and ships over 175 million pounds of vegetables to the United States annually. As part of the transaction, Aphria invested as a Limited Partner, purchasing sufficient membership interests in Investors to bring Aphria’s total flow-thru ownership in Copperstate to 10%.

“The opportunity to combine Aphria’s commercial agricultural growing experience, with one of the preeminent commercial agricultural growers in Mexico and the United States, creates a growing dream team”, said Vic Neufeld, Chief Executive Officer of Aphria. “Aphria is excited to share our cultivation expertise as a low cost producer of medical cannabis with Copperstate, helping Copperstate decrease its time to market and leveraging itself up the medical cannabis growing learning curve.”

The transaction remains subject to TSX Venture Exchange approval.

We have A Good Thing Growing.

About Aphria

Aphria Inc., one of Canada’s lowest cost producers, produces, supplies and sells medical cannabis. Located in Leamington, Ontario, the greenhouse capital of Canada. Aphria is truly powered by sunlight, allowing for the most natural growing conditions available. We are committed to providing pharma-grade medical cannabis, superior patient care while balancing patient economics and returns to shareholders. We are the first public licenced producer to report positive cash flow from operations and the first to report positive earnings in consecutive quarters.

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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 expected growth of production facilities in North America, any commentary related to the



legalization of marijuana and the timing related thereto, 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.