



Aphria's Vision to be Reality – Part IV expansion project to increase greenhouse growing space to 1 million square feet

Project necessary to supported continued mid-term demand expectations

<http://www.marketwired.com/press-release/aphrias-vision-be-reality-part-iv-expansion-project-increase-greenhouse-growing-space-tsx-venture-aph-2188531.htm>

Leamington, Ontario – January 16, 2017 – Aphria Inc. ("Aphria" or the "Company") (TSX-V: APH and US OTC: APHQF) is pleased to announce that its Board approved a \$137 million capital project, known internally as Part IV expansion ("Part IV"). The project will increase Aphria's capacity under the Access to Cannabis for Medical Purposes Regulations ("ACMPR") from 300,000 square feet to 1,000,000 square feet. In addition to the 1,000,000 greenhouse growing square feet, the Company's infrastructure will grow to over 250,000 square feet, necessary to service the expected 70,000 kilograms of eventual annualized harvests.

The project includes 700,000 square feet of Leamington standard, Dutch style greenhouses, 230,000 square feet of infrastructure, including new Level 9 vaults, automation for all of the greenhouses, processing areas, warehouse facilities, a 15 MW power and heat co-generation facility and security consistent with ACMPR standards. Aphria anticipates completion of Part IV within 12 months, Health Canada approvals within 4 months of completing the expansion and first harvest within 4 months after Health Canada approval.

Aphria is in the midst of completing its previously disclosed 57,000 square foot Part II expansion and its 200,000 square foot Part III expansion. Part II expansion has reached the point that the Company has requested that Health Canada perform its inspection of the expansion. The Company anticipates increasing production capacity from 2,800 kgs annually to 7,500 kgs annually and is on target for full crop rotation by June 2017, once Part II expansion is approved by Health Canada. Part III expansion remains on schedule and on budget, with expected completion in late October 2017, Health Canada approval in January 2018 and reaching full crop rotation by the end of April 2018. The Company anticipates increasing production capacity from 7,500 kgs to 21,000 kgs, once Part III expansion is approved by Health Canada.

"Demand for medical cannabis remains strong," said Vic Neufeld, Chief Executive Officer. "Additional future medical cannabis distribution channels will only add to that demand. With over 260 acres of assembled land, Aphria has positioned itself to grow as the market for cannabis grows."

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. Aphria's common shares are listed on the TSX Venture Exchange under the ticker symbol "APH" and on the US OTC market under the ticker symbol "APHQF". For more information, visit www.Aphria.com.

For further information please contact:

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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 completion dates of capital projects, expectations of Health Canada approvals, expectations for future growing capacity, the completion of the capital project, any commentary related to the legalization of marijuana and the timing related thereto, expectations of Pharmacy’s entry into the medical and / or recreational cannabis industry 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.