



Aphria Strengthens US Investment Platform, Increases Position in Copperstate Farms Investors to 18.5%

- Expanded investment increases Aphria's position in robust Arizona medical cannabis market -

<http://www.marketwired.com/press-release/aphria-strengthens-us-investment-platform-increases-position-copperstate-farms-investors-tsx-aph-2205417.htm>

Leamington, Ontario – March 27, 2017 – **Aphria Inc. ("Aphria" or the "Company")** (TSX: APH or USOTCQB: APHQF), through its subsidiary Aphria (Arizona) Inc., is pleased to announce that it made an additional investment of \$3 million (USD) in Copperstate Farms Investors, LLC ("Investors"). The investment will assist Investors in advancing its capital expenditure program related to extractions, lighting and power generation. This investment increases Aphria's membership units in Investors from 10% to 18.5% of those issued.

Investors owns a 95% interest in Copperstate Farms, LLC ("Copperstate"), a licensed producer of medical cannabis in the State of Arizona. The remaining 5% interest in Copperstate is owned by Aphria, through its subsidiary Aphria (Arizona) Inc.

Copperstate owns approximately 1.7 million square feet of greenhouses in Snowflake, Arizona and plans to bring approximately 348,000 square feet, into medical cannabis production in the fall of this year. Copperstate has received a special use permit for cannabis production in its entire facility by the Town of Snowflake. The Arizona Department of Health Services previously approved Copperstate's initial operations located in 6,000 square feet and will need to approve the expanded cultivation prior to operating the expanded facility. Thereafter, the first harvest is currently expected in early summer with a full harvest on the expanded operation expected late in 2017. Copperstate estimates that its expanded operations are capable of annualized production of approximately 18,000 kgs. The current spot price for wholesale bud in the Arizona market is approximately \$3,300 per kilogram. Copperstate has secured 90 different marijuana varieties for eventual offer to its customers. Several of the varieties are currently being tested to determine consumer demand and optimal growing metrics.

"Our expanded investment in Copperstate Farms Investors increases Aphria's exposure to the particularly attractive Arizona medical cannabis market," said Vic Neufeld, Chief Executive Officer, Aphria. "Our partnership with Investors combines Aphria's extensive agriculture and pharmaceutical experience with Copperstate Farms' strong operational expertise, all while strengthening Copperstate's ability to serve Arizona's approximately 115,000 medical marijuana patients. In all, we believe this important partnership has significant long-term growth potential for Aphria."

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 licensed 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, the ability of Copperstate Farms, LLC to transact at current market prices, the expected cash flow generation capability of Copperstate Farms, LLC or Copperstate Farms Investors, LLC, the completion of the capital project, 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.