



APHRIA ADVANCES GROWTH IN US MEDICAL CANNABIS MARKET WITH COMPLETION OF STRATEGIC INVESTMENT IN DFMMJ, AND EXCLUSIVE MANAGEMENT AGREEMENT WITH CHESTNUT HILL TREE FARM LLC

*License transfer to occur after introduction of new Florida regulations
Aphria and DFMMJ plan to significantly increase the size of Chestnut within six months*

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Tallahassee, Florida & Leamington, Ontario – May 24, 2017 – Aphria Inc. (“**Aphria**” or the “**Company**”) (TSX: **APH** or USOTCQB: **APHQF**) and Securecom Mobile Inc. (“**Liberty**”) (CSE: **SCM**) are pleased to announce the successful first step of their previously announced US expansion strategy. Aphria, through a strategic investment into DFMMJ Investment Ltd. (“**DFMMJ**”), a special purpose private company, entered into an exclusive Management Agreement with Chestnut Hill Tree Farm, LLC (“**Chestnut**”). DFMMJ’s intends to continue to target, for expansion, key US states that have approved medical use of marijuana and meets its stringent investment criteria.

Chestnut is a Florida nursery authorized by the Florida Department of Health, Office of Compassionate Use (“**Department**”), as a dispensing organization of medical cannabis to patients in need in the State of Florida. Chestnut holds one of seven licenses granted in Florida, which currently represents approximately 14% of the US medical cannabis market with a total estimated market size at maturity, as calculated by ArcView Market Research, of over \$1.1 billion.

The Management Agreement, which was approved by the Department, authorizes DFMMJ to exclusively manage and operate Chestnut’s cultivation, processing, and dispensing of medical cannabis to patients within the State of Florida, as well as provides DFMMJ with the exclusive benefits of the finances from Chestnut’s operation. In conformance with the Management Agreement, DFMMJ will acquire certain assets related to the business operations. It is anticipated that after new regulations are introduced in Florida, Chestnut will, in strict adherence with the regulations and after appropriate regulatory approval, transfer the license to DFMMJ.

“This is an exciting moment for DFMMJ and Aphria,” said Mr. Neufeld, Chief Executive Officer of Aphria. “Chestnut is one of a select few licensed producers serving a state with a population over 21 million people. For DFMMJ and eventually Liberty, this is an entry into an attractive market. Liberty will have the opportunity to leverage Aphria’s pharmaceutical and agricultural expertise. Aphria’s intellectual property and low cost production methodologies will further drive Liberty’s growth. Ensuring Floridians are provided with accessibly priced, high-quality, safe and pure medical cannabis products. It is only the beginning for our plans to be a dominant player in the medical cannabis industry internationally.”

“Liberty also recognizes that its growth will be driven by its people, the communities in which it operates, and the patients it serves. In addition to being a driver of economic growth and job creation in Florida, we are committed to maintaining Chestnut’s proud history of being a strong, positive contributor in the community.”

Over the next six months, DFMMJ plans to significantly increase the size of Chestnut’s operations while introducing processing automation and other operational improvements. These improvements will largely stem from the greenhouse growing intellectual property that Aphria has licensed to DFMMJ in exchange for additional common shares in DFMMJ. Furthermore, DFMMJ will establish a network of dispensaries within Florida state, which will leverage the retail expertise of Liberty’s Board and enable them to be leaders in the market.

Aphria and Liberty received transactional advisory services from the Delavaco Group, which founded DFMMJ Investments, LLC, a subsidiary of DFMMJ, arranged the acquisition of Chestnut and who is participating as a significant shareholder of Liberty. They were also represented in the transaction and related governmental affairs by Brady J. Cobb, Esq. of Cobb Eddy, PLLC.

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. Aphria is committed to providing pharmaceutical-grade medical cannabis, superior patient care while balancing patient economics and returns to shareholders. Aphria was the first public licensed producer to report positive cash flow from operations and the first to report positive earnings in consecutive quarters.

About DFMMJ

DFMMJ Investments Ltd. is an industry-leading investor and operator in the medical cannabis market. DFMMJ leverages the success of its lead Canadian strategic partner, Aphria Inc., to capitalize on new and existing opportunities in the United States. Like Aphria, DFMMJ is committed to delivering high-quality, clean and safe pharmaceutical grade cannabis to patients while optimizing returns to our shareholders.

About Securecom

SecureCom Mobile Inc. currently develops and markets consumer software and hardware encryption communications products for mobile phones, tablets, and computer-based platforms. Subject to completion of a previously announced Business Combination, SecureCom will combine its business with DFMMJ and thereafter be engaged in the business of the cultivation and harvesting of marijuana in certain permitted state jurisdictions in the United States.

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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”, “potential”, “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 with respect to the transfer of Chestnut’s license to DFMMJ, expectations for future growing capacity and costs, expectations on future US states for expansion, the completion of any capital project or expansions, 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 the United States generally, income tax and regulatory matters; the ability of Aphria, Securecom or DFMMJ 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.