



ASX & TSX-V ANNOUNCEMENT & MEDIA RELEASE

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MEDLAB AND APHRIA COMPLETE CANNABIS SUPPLY DEAL AHEAD OF CANNABIS HUMAN TRIAL

Medical life science company, Medlab Clinical Limited (ASX: MDC), has signed a significant cannabis supply agreement with Canadian licenced producer of medical marijuana, Aphria Inc. (TSX-V: APH, OTCQB: APHQF).

Cannabis plant species, yields and a novel extraction process have been established in collaboration between Medlab and Aphria, allowing Aphria to produce for Medlab in a large scale supply.

The combination of the two most known cannabis extracts required by Medlab, CBD (cannabidiol) and THC (tetrahydrocannabinol), produces in excess of 70 per cent active ingredient for both compounds, making it one of the most potent compounds known.

Aphria will grow and prepare the high yield cannabis for Medlab in Canada and Medlab will complete the manufacturing at a licensed Schedule 8 (S8) TGA approved facility, which Medlab expects will be in Australia.

At this facility, the cannabis product will be combined with Medlab's patented medicine delivery system, NanoCelle™, which enables sub-micron sized particles to be taken by mouth spray, allowing a swifter and more direct absorption of medicine into the bloodstream.

Medlab's forthcoming human trial, for management of intractable pain with oncology patients, will apply cannabis whole plant extract of both CBD and THC in a 1:1 ratio with NanoCelle™, making it the first trial of its kind globally.

Medlab has exclusivity over the cannabis product it has developed with Aphria and the agreement also marks the beginning of Aphria's entry into export markets and pharmaceutical development with the use of its product in human trials.

"The supply agreement with Medlab represents the first step in Aphria's International strategy. Choosing to take that step with an Australian public company, operating in the pharmaceutical space, with the resources to execute and a strategic vision consistent with Aphria's made Medlab a logical choice as Aphria's first international partner", Mr. Neufeld, Chief Executive Officer of Aphria, said.

Assuming all regulatory approvals are received, the volumes associated with the project will represent a significant portion of Aphria's production of the strains associated with the project and its oil extraction capacity. In anticipation of executing this agreement and the associated future demand, Aphria has already commenced its Part II expansion project and increased its oil extraction capacity necessary to support the project.

The agreement affirms Aphria's commitments to investing in cash flow positive initiatives and the quality requirements necessary to produce pharma-grade medical cannabis.

According to Mr Neufeld, the opportunity to create a product specifically for a human trial was a significant advancement in the use of medical cannabis. "Aphria's focus and keen attention to pharmaceutical protocols, embedded in all areas from seed to sale, has enabled Aphria to partner with an industry leader such as Medlab based in Australia. We continue to deliver to our shareholders our vision to take the Aphria story, together with Health Canada's regulatory

advancements, to regulated countries that are moving toward medical cannabis as an alternate treatment for patients in need.”

Mr Sean Hall, Managing Director of Medlab, said Aphria’s expertise and track record in producing high yield cannabis extracts of CBD and THC oil along with Medlab’s patented Nanocelle™ delivery platform will allow the production of a precise, potent cannabis medicine in preparation for a human trial.

“Our agreement with Aphria establishes a sustainable supply of consistent and active ingredients, which is important because precision and accuracy of the active ingredients are of primary concern as we are working to build a true pain management medicine.”

Commencement of Medlab’s human trial is subject to ethics approval at a leading Australian research oncology hospital and approval by both the Therapeutic Goods Administration and Health NSW, with discussions well underway. The product formulation and the ability to export remain subject to approval by Health Canada. In addition, Aphria requires approval of the TSX-Venture Exchange (“Exchange”) in Canada, as part of its undertaking to the Exchange.

Medlab’s trial will be classified as a Phase 1 cross-over IIa trial, combining SAD (single ascending dose) and MAD (multiple ascending dose) studies.

Near term commencement of the human trial would enable early completion; currently running 12-18 months ahead of schedule.

As well as pursuing development of its pain management therapy and commercialisation of NanoCelle™, Medlab is involved in drug discovery and development of new medicines based on bacteria and sale and development of nutraceuticals.

Medlab recently completed a successful capital raising for \$5.3 million (AUD) to contribute to pursuing each of these business directions.

Aphria recently completed a capital raising of \$34.5 million (CDN) to pursue additional expansion, a portion of which will contribute to the demand associated with this agreement.

ISSUED FOR:	MEDLAB CLINICAL LTD (ASX: MDC) www.medlab.co	APHRIA INC (TSX-V: APH, OTCQB: APHQF) www.aphria.com
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ABOUT MEDLAB – www.medlab.co

Medlab Clinical is an Australian based biotechnology company, with a certified biologics facility in Sydney and sales arms in Australia and California (Medlab Clinical US Inc, formerly InMed Technologies). The research focus is on the role bacteria in the gastrointestinal tract play in health and disease, in five health areas: obesity, chronic kidney disease, depression, ageing and muscular skeletal health and pain management. Medlab develops and sells nutraceuticals in the US and Australia to support drug discovery and development of new medicines involving bacteria (pharmacobiotics). Medlab a growing patent portfolio, multiple published research papers and conference presentations and the Pharmacobiotic trademark – a therapeutic term referring to both probiotics and biologics.

ABOUT APHRIA INC – www.aphria.com

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 were the first public licenced

producer to report positive cash flow from operations and the first to report positive earnings in consecutive quarters.

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 the intended expansion of Aphria’s facilities and the costs and anticipated timing with respect to such expansion, expectations of Health Canada approvals, product availability, expectations for future growing capacity for Aphria and expectations concerning the approvals of hospitals, Therapeutic Goods Administration and Health NSW. 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.

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