



PRESS RELEASE

TSX symbol: BX

BIOX ANNOUNCES 2016 THIRD QUARTER RESULTS

TORONTO, August 9, 2016 - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that owns and operates biodiesel production facilities, today announced its 2016 third quarter financial results for the three-month (Q3 2016) and nine-month (YTD 2016) periods ended June 30, 2016.

Highlights

- Expanded production capacity by 330% to 287.5 million litres of owned interest with the acquisition of two biodiesel facilities in June;
 - Acquired a **50 million litre** nameplate capacity biodiesel production facility in Sombra, near Sarnia, Ontario
 - Participated in the acquisition of a **341 million litre** nameplate capacity biodiesel production facility in Houston, Texas, through a 50/50 joint venture
- Production of methylesters was 16.0 million litres in Q3 2016 compared to 14.9 million litres in Q3 2015
- Sales were \$39,633,000 in Q3 2016 compared to \$13,509,000 in Q3 2015
- Sold 22.1 million litres of third-party production in Q3 2016 compared to nil in Q3 2015
- Operating income (loss) prior to non-cash items¹ was \$939,000 in Q3 2016 compared to \$(1,526,000) in Q3 2015
- Net loss was \$1,184,000 in Q3 2016 compared to \$1,006,000 in Q3 2015
- Net loss per share was \$0.03 in Q3 2016, compared to \$0.02 in Q3 2015

"Our recent acquisitions have transformed BIOX from a 67 million litre single-facility company to a multi-facility company with 4X the production capacity and a targeted sales & marketing strategy to service both the U.S. RFS mandate and the Ontario Greener Diesel mandate," said Alan Rickard, Chief Executive Officer of BIOX. "The market certainty provided by the Renewable Volume Obligation established by the U.S. EPA and the Greener Diesel mandate enabled us to be opportunistic and set the stage for long-term growth in the business. Our existing assets and relationships position us as one of the most efficient suppliers of product and compliance to obligated parties in the growing North American biodiesel market."

Financial Highlights

Sales were \$39.7 million and \$86.8 million for the three-month period (Q1 2016) and the nine-month period (YTD 2016) ended June 30, 2016, respectively, compared to \$13.5 million and \$57.0 million for the corresponding periods in fiscal 2015. The increase in sales in the quarterly period is primarily due to the increase in volume of third-party product sold, discussed below. Sales in the YTD 2016 period include the recognition of US\$6.7 million (C\$9.2 million) of refundable tax credits from customers and the IRS, due to the retroactive reinstatement of the U.S. biodiesel tax incentive, compared to US\$6.5 million in the same period last year. The increase in YTD sales was partially offset by the expiry of BIOX's participation in the ecoENERGY program on March 31, 2015, which contributed revenue of \$2.5 million in YTD 2015. There was no such revenue recognized in 2016.

BIOX sold 35.1 million and 75.3 million litres in Q3 2016 and YTD 2016, respectively, compared to 12.7 million and 45.4 million litres in the corresponding periods in fiscal 2015. Included in the 2016 sales are 22.1 and 32.8 million litres of third-party production for Q3 2016 and YTD 2016, respectively.

Direct expenses were \$37.6 million and \$78.8 for Q3 2016 and YTD 2016, respectively, compared to \$13.7 million and \$50.5 million for the corresponding periods in fiscal 2015. The change is primarily the result of the purchase and subsequent sale of third-party production as part of the Company's strategy to control and distribute more product.

General and administrative expenses were \$1.0 million and \$3.8 for Q3 2016 and YTD 2016, respectively, compared to \$1.3 and \$3.5 million for the corresponding periods in fiscal 2015. Management expect the G&A run-rate to be in the range of \$0.5 million to \$0.7 million per month through the end of calendar 2016 as it adds incremental administrative scale to support the start-up of operations at the Sombra and Houston facilities.

Operating income (loss) was \$(0.2) million and \$0.8 million for Q3 2016 and YTD 2016, respectively, compared to \$(0.4) million and \$2.1 million for the corresponding periods in fiscal 2016. The change in the quarterly period is primarily a result of higher feedstock prices and a lower average price per litre of biodiesel sold as well as \$0.2 million in costs related to management's growth strategies.

Operating income (loss) prior to non-cash items¹ was \$0.9 million and \$4.2 million for Q3 2016 and YTD 2016, respectively, compared to \$(1.5) million and \$3.0 million for the corresponding periods in fiscal 2015. The increase in the quarterly period is primarily a result of the recognition of a \$2.2 million decrease to the tank lease provision during the 2015 period which was partially offset by the \$0.2 million in costs during Q3 2016 related to management's growth strategy.

Net income (loss) was \$(1.2) million and \$(2.6) million for Q3 2016 and YTD 2016, respectively, compared to \$(1.0) million and \$1.3 million in the corresponding periods in fiscal 2015. Earnings (loss) per share was \$(0.03) and \$(0.06) for Q3 2016 and YTD 2016 compared to \$(0.02) and \$0.03 for the corresponding periods in fiscal 2015.

As at June 30, 2016, BIOX's available cash position and working capital was \$0.6 million and \$1.7 million, respectively, compared with \$7.7 million and \$7.4 million on September 30, 2015. The change in cash is primarily due to the acquisition of the Sombra, ON facility.

As at June 30, 2016, BIOX had 46,098,043 common shares outstanding, as well as options to purchase up to 1,738,750 common shares of BIOX and warrants to purchase 4,400,000 common shares of BIOX outstanding.

Acquisitions

BIOX acquired, or participated in the acquisition, of two biodiesel production facilities during Q3 2016, expanding its capacity from 67 million litres to 287.5 million litres of owned capacity (458 million litres gross capacity including the joint venture).

Sombra facility

On June 17, 2016, the Company acquired a 50 million litre nameplate capacity biodiesel facility in Sombra, near Sarnia, Ontario, for US\$4.5 million. The Sombra facility is located on a 21-acre facility near Sarnia, Ontario with excellent logistics, including on site rail. Originally constructed in 2009, the facility has not achieved nameplate capacity due to working capital and market challenges, and is currently not in production. The Company will expend an additional C\$5.0 million over the next ten months on upgrades to the facility that will improve the facility's efficiency and enable the use of a broader range of feedstock, specifically lower carbon intensity feedstocks, such as animal fats and recycled cooking oils. The Company expects the facility to be in production by the second quarter of calendar 2017.

Houston facility

In June 2016, BIOX invested with World Energy, an Advanced Biofuels supplier based in Boston, to form World Energy BIOX Biofuels LLC (WEBB), a joint venture for the purposes of the acquisition of the Houston facility. Each of BIOX and World Energy committed US\$10 million cash to the joint venture. BIOX has joint control with World Energy in the joint venture and holds a 50% ownership interest. WEBB is structured as a separate vehicle and BIOX has a residual interest in the net assets of WEBB.

On June 30, 2016, WEBB acquired a 341 million litre (90 million U.S. gallon) nameplate capacity biodiesel facility in Houston, Texas. The Houston facility, formerly known as Green Earth Fuels, is strategically located on site within the Kinder Morgan Liquids terminal on the Houston Ship Channel. The Houston facility is the third largest biodiesel production facility in North America. The facility is performing commissioning of the plant and WEBB expects to be in production prior to the end of calendar 2016.

Outlook

These two acquisitions demonstrate BIOX's ability to execute on its growth strategies through increasing the volume of biodiesel it produces, controls and distributes in strategic locations throughout North America. Prior to executing these acquisitions, BIOX leveraged its sales & marketing capabilities by significantly expanding sales of third-party product with more than 22 million litres of third-party product sold during fiscal Q3 2016.

In the near term, BIOX's primary focus is the start-up, operation, and marketing of product from its three facilities. BIOX expects plant commissioning and start-up will ramp up at the Houston facility by the end of calendar 2016. BIOX is investing in upgrades to the Sombra facility over the next ten months with commissioning and production expected in advance of the 2017 blend season in Ontario, during second quarter of calendar 2017.

Notice of Conference Call

BIOX will hold a conference call this morning, August 9, 2016, at 9:00 a.m. ET hosted by Mr. Alan Rickard, Chief Executive Officer to discuss the Company's financial results and corporate developments. To access the conference call by telephone, dial (647) 427-7450 or (888) 231-8191. To access the telephone replay, dial (416) 849-0833 or (855) 859-2056 and enter reservation number 57722657. A live audio webcast of the call will be available at www.bioxcorp.com. The webcast will be archived for 90 days.

Reconciliation of Non-IRFS Measures

The following table presents a reconciliation of operating income prior to non-cash items to net income for the three-month and nine-month periods ended June 30, 2016 and 2015:

(in thousands)	Three months ended		Nine months ended	
	2016	2015	2016	2015
	\$	\$	\$	\$
Operating income (loss) before non-cash items	939	(1,526)	4,192	3,020
Deduct:				
Production facility depreciation and amortization	(955)	(961)	(2,862)	(2,873)
Depreciation and amortization of equipment and intangible assets	(54)	(58)	(166)	(172)
Share-based compensation	(99)	(20)	(356)	(60)
Provision for unutilized tank	(21)	2,184	(21)	2,184
Operating (loss) income	(190)	(381)	787	2,099
Deferred income tax expense	(798)	-	(2,537)	-
Other income and expenses	(195)	(625)	(844)	(795)
Net (loss) income	(1,183)	(1,006)	(2,594)	1,304

Note: Non-IFRS Measures. Operating income prior to non-cash items is defined as operating income or loss less production facility depreciation and amortization, and less depreciation and amortization of equipment and intangibles and share-based compensation. Management uses this measurement to monitor the operating cash flow of BIOX's business and believes this information is useful supplemental information to a reader of financial statements. This measurement may not be comparable to similar measures presented by other issuers. Investors are cautioned that operating income (loss) prior to non-cash items should not be construed as an alternative to net (loss) income determined in accordance with IFRS as an indicator of BIOX's performance.

About BIOX Corporation

BIOX is a renewable energy company that owns and operates approximately 450 million litres of nameplate biodiesel production capacity at plants located in southern Ontario and Houston, Texas. BIOX has an innovative, proprietary and patented production process that is capable of producing the highest quality, renewable, clean burning and biodegradable biodiesel fuel utilizing a variety of feedstocks - from pure seed oils to animal fats to recovered vegetable oils with no change to the production process. BIOX's high quality biodiesel fuel meets North American (ASTM D-6751) quality standards.

Forward-looking Statements

Certain statements in this press release constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of BIOX, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. Such statements relate to, among other things, BIOX's long-term expectations for the biodiesel market in light of current market conditions, the timeline for the World Energy BIOX Biofuels facility commencing production, the capacity of and anticipated upgrades to the facility and timing thereof, and the ability of BIOX to benefit from recent regulatory initiatives in the U.S. and Ontario. These statements reflect BIOX's current views regarding future events and operating performance, are based on information currently available to BIOX, and speak only as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Those assumptions and risks include, but are not limited to, the fact that BIOX's results of operations and business outlook are highly dependent on a mix of legislation and producer payment programs and tax credits and upon commodity prices, which are subject to significant volatility and uncertainty. Many factors could cause the actual results, performance or achievements of BIOX to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including factors described in this press release and those discussed in BIOX's publicly available disclosure documents, as filed by BIOX on SEDAR (www.sedar.com) except as updated herein. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, BIOX does not intend and does not assume any obligation to update these forward-looking statements. To the extent any forward-looking statements herein constitute financial outlook, they were approved by management as of the date hereof and have been included to provide an understanding with respect to BIOX's financial performance and are subject to the same risks and assumptions referred to herein. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur and readers are cautioned that any financial outlook information contained in this news release should not be used for purposes other than for which it is disclosed herein.

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BIOX Corporation

Condensed consolidated interim statements of comprehensive (loss) income

Three and nine month periods ended June 30, 2016 and 2015

(Unaudited)

(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Three months ended		Nine months ended	
	June 30		June 30	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue	39,663	13,509	86,832	56,984
Cost of sales				
Direct expenses	37,580	13,719	78,757	50,467
Production facility depreciation and amortization	955	961	2,862	2,873
	38,535	14,680	81,619	53,340
Gross margin	1,128	(1,171)	5,213	3,644
Operating expenses				
General and administrative	1,012	1,316	3,751	3,497
Depreciation and amortization of equipment and intangible assets	54	58	166	172
Share-based compensation	99	20	356	60
Expansion planning and development	153	(2,184)	153	(2,184)
	1,318	(790)	4,426	1,545
Operating (loss) income	(190)	(381) [†]	787	2,099
Other expenses				
Financing cost	525	310	992	945
Gain on revaluation of asset retirement obligation	-	-	(329)	-
Write-down of capital assets	-	33	-	33
Foreign exchange loss (gain)	(330)	288	197	(154)
	195	631	860	824
Net (loss) income before interest income and income taxes	(385)	(1,012)	(73)	1,275
Deferred income tax expense	(798)	-	(2,537)	-
Interest income	-	6	16	29
Net (loss) income for the period	(1,183)	(1,006)	(2,594)	1,304
Other comprehensive (loss) income				
Foreign currency translation gain (loss)	5	(76)	62	(261)
Comprehensive (loss) income	(1,178)	(1,082)	(2,532)	1,043
(Loss) income per common share				
Basic	(0.03)	(0.02)	(0.06)	0.03
Diluted	(0.03)	(0.02)	(0.06)	0.03
Weighted average number of common shares outstanding				
Basic	46,069,404	45,710,967	46,069,404	45,710,967
Diluted	46,069,404	45,710,967	46,069,404	46,255,914

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Condensed consolidated interim statements of changes in equity

Three and nine month periods ended June 30, 2016 and 2015

(Unaudited)

(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Common share capital		Warrant reserve		Accumulated		Total
	Shares	Amount	Share purchase warrants	Amount	Equity reserve	comprehensive loss	
	#	\$	#	\$	\$	\$	\$
Balance, September 30, 2014	45,710,967	167,773	1,982,143	3,151	2,965	(252)	36,324
Share-based compensation	-	-	-	-	60	-	60
Expiry of share purchase warrants	-	-	(1,982,143)	(3,151)	-	-	-
Expiry of share purchase options	-	-	-	-	(641)	-	641
Forfeiture of share purchase options	-	-	-	-	(88)	-	88
Net income	-	-	-	-	-	-	1,304
Foreign currency translation loss	-	-	-	-	-	(261)	(261)
Balance, June 30, 2015	45,710,967	167,773	-	-	2,296	(513)	37,427
Balance, September 30, 2015	46,025,124	168,130	-	-	1,968	(659)	32,965
Share-based compensation	-	-	-	-	356	-	356
Share purchase	72,919	46	-	-	(20)	-	26
Net loss	-	-	-	-	-	-	(2,594)
Foreign currency translation loss	-	-	-	-	-	62	62
Balance, June 30, 2016	46,098,043	168,176	-	-	2,304	(597)	30,815

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Condensed consolidated interim statements of financial position

Three and nine month periods ended June 30, 2016 and 2015

(Unaudited)

(Expressed in thousands of Canadian dollars)

	June 30, 2016	September 30, 2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	585	7,709
Restricted cash	1,174	260
Investment in joint venture	13,610	-
Accounts receivable	5,651	3,635
Prepaid expenses	790	617
Inventory	8,621	3,086
	30,431	15,307
Property, plant and equipment	29,581	26,205
Intangible assets	330	409
Deferred income tax assets	10,686	13,223
	71,028	55,144
Liabilities		
Current liabilities		
Accounts payable and other liabilities	12,432	4,687
Demand Loan	510	-
Short Term Debt	12,917	-
Current portion of long-term debt	1,500	1,500
Current portion of finance leases	8	22
Current portion of provisions	1,410	1,450
	28,777	7,659
Finance leases	-	6
Long-term debt	7,481	8,605
Provisions	3,955	5,909
	40,213	22,179
Equity		
Common share capital	168,176	168,130
Equity reserve	2,304	1,968
Accumulated other comprehensive loss	(597)	(659)
Deficit	(139,068)	(136,474)
	30,815	32,965
	71,028	55,144

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Condensed consolidated interim statements of cash flows

Three and nine month periods ended June 30, 2016 and 2015

(Unaudited)

(Expressed in thousands of Canadian dollars, except share and per share amounts)

	Nine months ended	
	June 30	
	2016	2015
	\$	\$
Operating activities		
Net (loss) income	(2,594)	1,304
Add (less) items not involving cash		
Production facility depreciation and amortization	2,862	2,873
Depreciation and amortization of equipment and intangible assets	166	172
Financing costs	280	479
Provision for unutilized tank storage	21	(2,869)
Unrealized foreign exchange gain	-	(630)
Share-based compensation	356	60
Gain on revaluation of provisions	(329)	-
Accretion of provisions	226	264
Write-down of capital assets	-	33
Deferred income tax asset	2,537	(112)
	3,525	1,574
Net change in non-cash working capital balances related to operations	(109)	1,943
	3,416	3,517
Investing activity		
Purchase of property, plant and equipment	(6,899)	(482)
Investment in joint venture	(14,044)	-
Decrease in restricted cash	(914)	829
	(21,857)	347
Financing activities		
Payments on tank lease provision	(1,130)	-
Payments on finance leases	(23)	(22)
Proceeds from debt financing	12,917	-
Repayment of debt financing	(1,125)	(375)
Proceeds from demand loan	510	-
Issuance of common shares	26	-
Interest paid	(276)	(476)
	10,899	(873)
Effect of exchange rate changes on:		
Cash held in foreign currency	418	370
Net (decrease) increase in cash and cash equivalents during the period	(7,124)	3,361
Cash and cash equivalents, beginning of period	7,709	7,212
Cash and cash equivalents, end of period	585	10,573