



PRESS RELEASE

TSX symbol: BX

BIOX ANNOUNCES 2016 FOURTH QUARTER AND FULL YEAR RESULTS

TORONTO, December 15, 2016 - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that owns and operates biodiesel production facilities, today announced its 2016 fourth quarter and full year financial results for the three-month (Q4 2016) and twelve-month (FY 2016) periods ended September 30, 2016.

Highlights

- Expanded production capacity by 330% to 287.5 million litres of owned interest with the acquisition of two biodiesel facilities in 2016;
 - 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
 - Commissioning of the Houston facility and the upgrades to the Sombra facility are on schedule
- Production of methylesters at the Hamilton facility was 16.2 million litres and 64.1 million litres in Q4 2016 and FY 2016, respectively, compared to 15.5 million litres and 60.5 million litres in the same periods in fiscal 2015
- Sales were \$27,941,000 and \$114,773,000 in Q4 2016 and FY 2016, respectively, compared to \$18,368,000 and \$75,352,000 in the same periods in fiscal 2015
- Operating income (loss) prior to non-cash items¹ was \$1,204,000 and \$5,396,000 in Q4 2016 and FY 2016, respectively, compared to \$(1,767,000) and \$1,221,000 in the same periods in fiscal 2015
- Net loss was \$815,000 and \$3,409,000 in Q4 2016 and FY 2016, respectively, compared to \$4,345,000 and \$3,041,000 in the same periods in fiscal 2015
- Net loss per share was \$0.01 and \$0.07 in Q4 2016 and FY 2016, respectively, compared to \$0.09 and \$0.07 in the same periods in fiscal 2015

“Our acquisitions in 2016, together with our existing Hamilton facility, provide us with a diversified footprint to access the growing biodiesel markets in both the U.S. and Ontario,” said Alan Rickard, Chief Executive Officer of BIOX. “We have scaled production more than four-fold with the Houston and Sombra acquisitions. The timing of our acquisitions and their commissioning is ideal with both the U.S. Renewable Volume Obligation and the Ontario Greener Diesel mandates set to increase in 2017. The Houston facility is undergoing the final stages of commissioning and we expect it to operate at full production in the coming weeks. Given its scale, we expect Houston’s production will drive our bottom-line results significantly higher based on the existing pricing fundamentals in the U.S. biodiesel market.”

Financial Highlights

Sales were \$27.9 million and \$114.8 million for the three-month period (Q4 2016) and the twelve-month period (FY 2016) ended September 30, 2016, respectively, compared to \$18.4 million and \$75.4 million for the corresponding periods in fiscal 2015. The increase in sales in the quarterly period is primarily due to \$6.9 million in revenue from an increase in volume of third-party product sold and an 18% increase in average revenue per litre of biodiesel sold. The increase in the annual period was primarily due to \$41.2 million of revenue from the sale of third-party product as part of BIOX’s strategy to control and distribute more gallons. Management intends to take advantage of

future opportunities to control and distribute third-party product on an ongoing basis, however the Company's primary focus moving forward is its new acquisitions and investments, therefore management does not anticipate similar levels of third-party product sales in future periods.

BIOX sold 22.9 million and 98.2 million litres in Q4 2016 and FY 2016, respectively, compared to 18.3 million and 63.6 million litres in the corresponding periods in fiscal 2015. Included in the 2016 sales are 6.1 million litres and 38.9 million litres of third-party production for Q4 2016 and FY 2016, respectively.

Direct expenses were \$25.1 million and \$103.9 million for Q4 2016 and FY 2016, respectively, compared to \$19.1 million and \$69.5 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 \$1.6 million and \$5.4 million for Q4 2016 and FY 2016, respectively, compared to \$1.1 million and \$4.6 million for the corresponding periods in fiscal 2015. Management expect the G&A run-rate to be in the range of \$0.4 million to \$0.5 million per month in fiscal 2017 as the Company has added incremental administrative scale to support the commissioning and ongoing production at the Houston facility followed by the planned start-up and production at the Sombra facility in mid-2017.

Operating income (loss) was \$1.0 million and \$2.2 million for Q4 2016 and FY 2016, respectively, compared to \$(2.8) million and \$(0.8) million for the corresponding periods in fiscal 2015. The improvement in the quarterly period was primarily related improved margins as a result of an 18% increase in average revenue per litre sold referenced above and the stable direct expenses for cost of sales. The improvement in the annual period is primarily a result of the collection of US\$6.7 million in refundable tax credits from our customers and the U.S. Internal Revenue Service related to sales in calendar 2015 due to the reinstatement of the U.S. biodiesel tax incentive.

Operating income (loss) prior to non-cash items¹ was \$1.2 million and \$5.4 million for Q4 2016 and FY 2016, respectively, compared to \$(1.8) million and \$1.2 million for the corresponding periods in fiscal 2015. The improvement in the quarterly period is primarily a result of higher gross margins referenced above. The improvement in the annual period is primarily due to the reinstatement of the U.S. biodiesel tax incentive referenced above.

Net loss was \$0.8 million and \$3.4 million for Q4 2016 and FY 2016, respectively, compared to \$4.3 million and \$3.0 million in the corresponding periods in fiscal 2015. Loss per share was \$0.01 and \$0.07 for Q4 2016 and FY 2016, respectively, compared to \$0.09 and \$0.07 for the corresponding periods in fiscal 2015. The improvement in the quarterly period was primarily due to higher gross margins.

As at September 30, 2016, BIOX's available cash position and working capital was \$3.5 million and negative \$6.1 million, respectively, compared with \$7.7 million and \$7.4 million on September 30, 2015. The change in cash is primarily due to the acquisitions of the Sombra and Houston facilities. The negative working capital balance is a result of the short-term nature of the financing obtained from insiders related to the acquisitions.

As at September 30, 2016, BIOX had 46,098,043 common shares outstanding, as well as outstanding options to purchase up to 1,855,000 common shares of BIOX and outstanding warrants to purchase up to 4,400,000 common shares of BIOX.

Acquisitions

BIOX acquired, or participated in the acquisition of, two biodiesel production facilities in June 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 \$5.0 million over the next nine 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 third 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 currently undergoing the final stages of commissioning of the plant and WEBB expects to be in production in the coming weeks.

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 completing these acquisitions, BIOX leveraged its sales & marketing capabilities by significantly expanding sales of third-party product with 38.9 million litres of third-party product sold during fiscal 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 full production at the Houston facility in the coming weeks. BIOX continues to invest in upgrades to the Sombra facility with commissioning and production expected during third quarter of calendar 2017 to capture a portion of the 2017 blend season in Ontario.

Amendment to Bridge Note

To partially fund its investment in WEBB, BIOX entered into a secured bridge note facility (the Bridge Note) in the amount of US\$5 million which Bridge Note was issued for a term of six months at a climbing interest rate as follows: (a) 12% per annum to and including August 31, 2016; (b) 14% per annum from September 1, 2016 to and including September 30, 2016; (c) 16% per annum from October 1, 2016 to and including October 31, 2016; and (d) 18% per annum from November 1, 2016 onward with interest payable monthly.

Subsequent to the end of FY 2016, the Bridge Note was amended to provide that commencing as of October 1, 2016, the outstanding amount under the Bridge Note, up to and including December 31, 2016 will bear interest at the rates set out above, provided that such interest on such amounts shall accrue and compound monthly and all accrued interest in respect of the Bridge Note shall be payable by BIOX on December 31, 2016. It is anticipated that an aggregate of US\$5,222,000, will be due and payable under the Bridge Note upon maturity and the Board of Directors of the Company has approved the issuance to the holder of the Bridge Note of a new secured bridge note on January 1, 2017 in the principal amount of US\$5,222,000 (the New Bridge Note) which will be issued in full replacement of the Bridge Note, following which the Bridge Note will be cancelled.

The New Bridge Note will be issued for a three-month term and will bear interest at a rate of 12% per annum, accruing daily and compounded monthly. All accrued and unpaid interest under the New Bridge Note will be payable on March 31, 2017. The issuance of the New Bridge Note in replacement of the Bridge Note is subject to the approval of the holder of the Bridge Note.

Notice of Conference Call

BIOX will hold a conference call tomorrow morning, December 16, 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 26859869. 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-IFRS Measures

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

(in thousands)	Three months ended		Twelve months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Operating income (loss) before non-cash items	1,204	(1,767)	5,396	1,221
Deduct:				
Production facility depreciation and amortization	28	(991)	(2,834)	(3,864)
Depreciation and amortization of equipment and intangible assets	(50)	(56)	(216)	(229)
Gain on valuation of asset retirement	--	--	329	--
Share-based compensation	(143)	(29)	(499)	(89)
Provision for unutilized tank storage	--	--	(21)	2,184
Operating income (loss)	1,039	(2,843)	2,155	(777)
Income tax expense	(297)	(1,359)	(2,833)	(1,359)
Loss on investment in joint venture	(899)	--	(899)	--
Financing cost, foreign exchange (loss) gain, and interest income	(658)	(143)	(1,832)	(905)
Net loss	(815)	(4,345)	(3,409)	(3,041)

1) *Note: Non-IFRS Measures. Operating income (loss) 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 287.5 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 and the Sombra facility commencing production, the capacity of and anticipated upgrades to the Houston facility and the Sombra 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

Consolidated statements of comprehensive loss

Years ended September 30

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

	Three months ended September 30,		Twelve months ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue	27,941	18,368	114,773	75,352
Cost of sales				
Direct expenses	25,133	19,076	103,890	69,543
Production facility depreciation and amortization	(28)	991	2,834	3,864
	25,105	20,067	106,724	73,407
Gross margin	2,836	(1,699)	8,049	1,945
Operating expenses				
General and administrative	1,604	1,059	5,355	4,588
Depreciation and amortization of equipment and intangible assets	50	56	216	229
Gain on revaluation of asset retirement obligation	-	-	(329)	-
Share-based compensation	143	29	499	89
Expansion planning and development	-	-	153	(2,184)
	1,797	1,144	5,894	2,722
Operating income (loss)	1,039	(2,843)	2,155	(777)
Other expenses				
Financing cost	614	266	1,607	1,211
Loss on investment in joint venture	899	-	899	-
Foreign exchange loss (gain)	55	(101)	252	(254)
	1,568	165	2,758	957
Net loss before interest income and income taxes	(529)	(3,008)	(603)	(1,734)
Income tax expense	(297)	(1,359)	(2,833)	(1,359)
Interest income	11	22	27	52
Net loss for the period	(815)	(4,345)	(3,409)	(3,041)
Other comprehensive income (loss)				
Foreign currency translation gain (loss)	(20)	(146)	42	(407)
Comprehensive loss	(835)	(4,491)	(3,367)	(3,448)
Loss per common share				
Basic & diluted	(0.01)	(0.09)	(0.07)	(0.07)
Weighted average number of common shares outstanding				
Basic & diluted	46,076,603	45,744,628	46,076,603	45,744,628

BIOX Corporation

Consolidated statements of changes in equity

Years ended September 30

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

	Common share capital			Warrant reserve		Accumulated			Total equity
	Shares	Amount	#	Share purchase warrants	Amount	Equity reserve	comprehensive loss	other loss	
		\$			\$	\$	\$	\$	\$
Balance, October 1, 2014	45,710,967	167,773	1,982,143	3,151	2,965	(252)	(137,313)		36,324
Share-based compensation	-	-	-	-	89	-	-	-	89
Expiry of share purchase warrants	-	-	(1,982,143)	(3,151)	-	-	3,151	-	-
Expiry of share purchase options	-	-	-	-	(642)	-	642	-	-
Forfeiture of share purchase options	-	-	-	-	(87)	-	87	-	-
Share purchase	314,157	357	-	-	(357)	-	-	-	-
Net loss	-	-	-	-	-	-	(3,041)	-	(3,041)
Foreign currency translation loss	-	-	-	-	-	-	(407)	-	(407)
Balance, September 30, 2015	46,025,124	168,130	-	-	1,968	(659)	(136,474)		32,965
Balance, October 1, 2015	46,025,124	168,130	-	-	1,968	(659)	(136,474)		32,965
Share-based compensation	-	-	-	-	520	-	-	-	520
Forfeiture of share purchase options	-	-	-	-	(21)	-	-	-	(21)
Share purchase	72,919	46	-	-	(21)	-	-	-	25
Warrant issuance	-	-	4,400,000	989	-	-	-	-	989
Net loss	-	-	-	-	-	-	(3,409)	-	(3,409)
Foreign currency translation gain	-	-	-	-	-	-	42	-	42
Balance, September 30, 2016	46,098,043	168,176	4,400,000	989	2,446	(617)	(139,883)		31,111

BIOX Corporation

Consolidated statements of financial position

As at September 30

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

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,529	7,709
Restricted cash	1,174	260
Accounts receivable	2,882	3,635
Prepaid expenses	808	617
Inventory	3,841	3,086
	12,234	15,307
Investment in joint venture	12,984	-
Property, plant and equipment	30,091	26,205
Intangible assets	304	409
Deferred income tax assets	10,247	13,223
	65,860	55,144
Liabilities		
Current liabilities		
Accounts payable and other liabilities	7,108	4,687
Short-term debt	8,330	-
Current portion of long-term debt	1,500	1,500
Current portion of finance leases	6	22
Current portion of provisions	1,432	1,450
	18,376	7,659
Finance leases	-	6
Long-term debt	7,107	8,605
Secured promissory notes	5,570	-
Provisions	3,696	5,909
	34,749	22,179
Equity		
Common share capital	168,176	168,130
Warrant reserve	989	-
Equity reserve	2,446	1,968
Accumulated other comprehensive loss	(617)	(659)
Deficit	(139,883)	(136,474)
	31,111	32,965
	65,860	55,144

BIOX Corporation

Consolidated statements of cash flows

Years ended September 30

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

	2016	2015
	\$	\$
Operating activities		
Net loss	(3,409)	(3,041)
Add (less) items not involving cash		
Production facility depreciation and amortization	2,834	3,864
Depreciation and amortization of equipment and intangible assets	216	229
Financing costs	968	621
Provision for (recovery of) unutilized tank storage	21	(2,184)
Unrealized foreign exchange loss	29	-
Share-based compensation	499	89
Gain on revaluation of provisions	(329)	-
Accretion of provisions	290	513
Loss on investment in joint venture	758	-
Income tax expense	2,976	1,359
	4,853	1,450
Net change in non-cash working capital balances related to operations	2,327	964
	7,180	2,414
Investing activity		
Purchase of property, plant and equipment	(7,616)	(637)
Investment in joint venture	(13,883)	-
(Decrease) increase in restricted cash	(914)	1,049
	(22,413)	412
Financing activities		
Payments on tank lease provision	(1,493)	(1,915)
Payments on finance leases	(23)	(29)
Proceeds from debt financing	14,689	-
Repayment of debt financing	(1,500)	(750)
Issuance of common shares	25	-
Interest paid	(995)	(618)
	10,703	(3,312)
Effect of exchange rate changes on:		
Cash held in foreign currency	350	983
Net (decrease) increase in cash and cash equivalents during the period	(4,180)	497
Cash and cash equivalents, beginning of period	7,709	7,212
Cash and cash equivalents, end of period	3,529	7,709