



PRESS RELEASE

TSX symbol: BX

BIOX ANNOUNCES 2017 FIRST QUARTER RESULTS

TORONTO, February 13, 2017 - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that owns and operates biodiesel production facilities, today announced its 2017 first quarter financial results for the three-month (Q1 2017) period ended December 31, 2016.

Highlights

- Completed commissioning of the 90 million U.S. gallon (USG) biodiesel production facility in Houston, Texas, through its 50% ownership interest in the World Energy BIOX Biofuels LLC (WEBB) joint venture, subsequent to the end of the quarter
- Upgrades to the 13.2 million USG Sombra facility are on schedule for commissioning in calendar Q3 2017
- Production of methylesters at the Hamilton facility was 16.2 million litres in Q1 2017, compared to 16.3 million litres in the same period in fiscal 2016
- The retroactive reinstatement of \$6,895,000 of U.S. biodiesel tax incentive as well as the \$4,413,000 of sales of third party product, both in fiscal Q1 2016, both or in part, have had a significant impact on the following:
 - Sales were \$19,525,000 in Q1 2017, compared to \$25,743,000 in the same period in fiscal 2016
 - Operating (loss) income prior to non-cash items¹ was \$(526,000) in Q1 2017, compared to \$5,358,000 in the same period in fiscal 2016
 - Net (loss) income was \$(3,200,000) in Q1 2017, compared to \$4,381,000 in the same period in fiscal 2016
 - Net (loss) income per basic share was \$(0.07) in Q1 2017, compared to \$0.10 in the same period in fiscal 2016

"We significantly expanded our owned production capacity with the successful completion of commissioning at the Houston facility in January of this year," said Alan Rickard, Chief Executive Officer of BIOX. "The Houston facility is operating well and production levels have met our expectations. Given its scale, we expect Houston's production will drive significant improvements in our bottom-line results. In Ontario, our Hamilton and Sombra facilities are ideally positioned to capture market share with the mandated increases to the blend rate and the greenhouse gas reduction thresholds from the Ontario Greener Diesel program for 2017. The upgrades to our Sombra facility remain on schedule and we expect commissioning later in mid-2017 – in time to capture a portion of the blending season in Ontario."

Financial Highlights

Sales were \$19.5 million for the three-month period ended December 31, 2016 (Q1 2017), compared to \$25.7 million for the corresponding period in fiscal 2016. The change is primarily related to the recognition in fiscal Q1 2016 of US\$6.7 million of refundable tax credits from customers and the U.S. Internal Revenue Service related to the retroactive reinstatement of the U.S. biodiesel tax incentive as well as \$4.4 million of sales of third party product in fiscal Q1 2016, offset by additional quantities of product sold in Q1 2017 as well as an increase in sales price. Although it is management's intention to take advantage of future opportunities to control and distribute third party product on an ongoing basis, BIOX is focused on generating value through the production it controls and is not expecting to see similar results in upcoming years related to the sale of third party product as it saw in fiscal 2016.

BIOX sold 15.8 million litres in Q1 2017, compared to 19.7 million litres in the corresponding period in fiscal 2016. Included in the Q1 2017 sales are 0.1 million litres of third-party production compared to 5.5 million litres in Q1 2016.

Direct expenses were \$18.4 million for Q1 2017, compared to \$18.9 million for the corresponding period in fiscal 2016. The change is primarily the result of the reduction in purchases of third-party product, partially offset by an increase in the average price of feedstock over the prior year period.

General and administrative expenses were \$1.6 million for Q1 2017, compared to \$1.5 million for the corresponding period in fiscal 2016. G&A expenses were impacted by an increase in professional fees partially offset by the one-time management restructuring cost of \$0.4 million recorded in Q1 2016. Management expects 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 ongoing production at the Houston facility followed by the planned start-up and production at the Sombra facility in mid-2017.

Operating (loss) income was \$(1.4) million for Q1 2017, compared to \$4.4 million for the corresponding period in fiscal 2016. The change is primarily a result of the collection of US\$6.7 million in refundable tax credits, referenced above, related to the reinstatement of the U.S. biodiesel tax incentive in Q1 2016.

Operating (loss) income prior to non-cash items¹ was \$(0.5) million for Q1 2017, compared to \$5.4 million for the corresponding period in fiscal 2016. The change is related to the retroactive reinstatement of the U.S. biodiesel tax incentive referenced above.

Net (loss) income was \$(3.2) million for Q1 2017, compared to \$4.4 million for the corresponding period in fiscal 2016. Net (loss) income per basic share was \$(0.07) for Q1 2017, compared to \$0.10 for the corresponding period in fiscal 2016. These changes are also related to the retroactive reinstatement of the U.S. biodiesel tax incentive referenced above.

As at December 31, 2016, BIOX's available cash position and working capital was \$1.0 million and negative \$8.9 million, respectively, compared with \$3.5 million and negative \$6.1 million on September 30, 2016. The negative working capital balance is a result of the short-term nature of the financing obtained from insiders related to the acquisition of BIOX's 50% ownership interest in WEBB. The change in working capital is primarily due to a \$1.1 million draw on BIOX's demand loan with a Canadian Chartered Bank.

As at December 31, 2016, BIOX had 46,098,043 common shares outstanding, as well as outstanding options to purchase up to 1,735,000 common shares of BIOX and outstanding warrants to purchase up to 4,400,000 common shares of BIOX.

Outlook

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

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.

In the near term, BIOX's primary focus is the operation and marketing of product from its Hamilton facility and WEBB's Houston facility as well as the start-up of the Sombra facility. BIOX continues to invest in upgrades to the Sombra 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 to capture a portion of the 2017 blend season in Ontario.

Management believes the Ontario market will play an increasingly important role in BIOX's distribution network. The implementation of the Greener Diesel program in Ontario mandates increasing blend rates and a move toward lower carbon intensity fuels in 2017. The greenhouse gas (GHG) reduction aspects of the Ontario Greener Diesel mandate are an important differentiator for BIOX. Bio-based diesel produced by BIOX at the Hamilton facility has the lowest carbon intensity in the province, reducing GHG emissions by more than 100% when compared to petroleum diesel. The Sombra facility, once upgraded to handle lower carbon intensity feedstocks, will produce at a comparable GHG emission efficiency to the bio-diesel produced by BIOX at its Hamilton facility.

In November 2015, the U.S. Environmental Protection Agency published its Renewable Volume Obligation (RVO) for Biomass-based diesel, which included a minimum volume requirement for biomass-based diesel of 2.0 billion USG in 2017, an increase from 1.9 billion USG for 2016. The RVO is recognized as the primary driver of demand for biodiesel in the U.S. market. Management believes the clarity around the volume obligations will create stable and consistent demand from obligated parties.

With assets in the U.S. and Ontario located in close proximity to blending infrastructure, pipelines and transport access, management believes BIOX is in a strong position to serve obligated parties in these two growing biodiesel markets.

Notice of Conference Call

BIOX will hold a conference call tomorrow morning, February 14, 2017, 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 68486620. 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 period ended December 31, 2016 and 2015:

(in thousands)	Three months ended	
	December 31	
	2016	2015
	\$	\$
Operating (loss) income before non-cash items	(526)	5,358
Deduct: Production facility depreciation and amortization	(721)	(786)
Depreciation and amortization of equipment and intangible assets	(52)	(56)
Share-based compensation	(61)	(112)
Operating (loss) income	(1,360)	4,404
Deferred income tax expense	(334)	-
Other income and expenses	(1,506)	(23)
Net (loss) income	(3,200)	4,381

- 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 and operates 287.5 million litres of nameplate biodiesel production capacity at plants located in Houston, Texas and two facilities in southern Ontario. 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 Sombra facility commencing production, the capacity of and anticipated upgrades to the Sombra facility and timing thereof, BIOX's G&A run rate for fiscal 2017, the growing of the biodiesel market in the U.S. and Ontario, and the ability of BIOX to benefit from 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 month periods ended December 31, 2016 and 2015

(Unaudited)

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

	2016	2015
	\$	\$
Revenue	19,525	25,743
Cost of sales		
Direct expenses	18,418	18,909
Production facility depreciation and amortization	721	786
	19,139	19,695
Gross margin	386	6,048
Operating expenses		
General and administrative	1,633	1,476
Depreciation and amortization of equipment and intangible assets	52	56
Share-based compensation	61	112
	1,746	1,644
Operating (loss) income	(1,360)	4,404
Other expenses		
Financing cost	920	238
Loss on investment in joint venture	562	-
Gain on revaluation of asset retirement obligation	-	(329)
Foreign exchange loss	24	124
	1,506	33
Net (loss) income before interest income and income taxes	(2,866)	4,371
Income tax expense	(334)	-
Interest income	-	10
Net (loss) income for the period	(3,200)	4,381
Other comprehensive (loss) income		
Foreign currency translation (loss) gain	(78)	35
Comprehensive (loss) income	(3,278)	4,416
(Loss) income per common share		
Basic	(0.07)	0.10
Diluted	(0.07)	0.09
Weighted average number of common shares outstanding		
Basic	46,098,043	46,026,950
Diluted	46,098,043	46,532,877

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Condensed consolidated interim statements of changes in equity

Three month periods ended December 31, 2016 and 2015

(Unaudited)

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

	Common share capital		Warrant reserve		Share purchase warrants		Equity reserve		Accumulated other comprehensive loss		Total equity
	Shares	Amount	Amount	Amount	#	Amount	Equity reserve	Equity reserve	Accumulated other comprehensive loss	Deficit	
	#	\$	\$	\$	#	\$	\$	\$	\$	\$	\$
Balance, September 30, 2015	46,025,124	168,130	-	-	-	-	1,968	-	(659)	(136,474)	32,965
Share-based compensation	-	-	-	-	-	-	113	-	-	-	113
Share purchase	7,000	4	-	-	-	-	(2)	-	-	-	2
Net loss	-	-	-	-	-	-	-	-	-	4,381	4,381
Foreign currency translation loss	-	-	-	-	-	-	-	-	35	-	35
Balance, December 31, 2015	46,032,124	168,134	-	-	-	-	2,079	-	(624)	(132,093)	37,496
Balance, September 30, 2016	46,098,043	168,176	168,176	989	4,400,000	989	2,446	(617)	(139,883)	(139,883)	31,111
Share-based compensation	-	-	-	-	-	-	61	-	-	-	61
Net loss	-	-	-	-	-	-	-	-	-	(3,200)	(3,200)
Foreign currency translation gain	-	-	-	-	-	-	-	-	(78)	-	(78)
Balance, December 31, 2016	46,098,043	168,176	168,176	989	4,400,000	989	2,507	(695)	(143,083)	(143,083)	27,894

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Condensed consolidated interim statements of financial position

As at December 31, 2016 and September 30, 2016

(Unaudited)

(Expressed in thousands of Canadian dollars)

	December 31, 2016	September 30, 2016
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,038	3,529
Restricted cash	1,174	1,174
Accounts receivable	5,289	2,882
Prepaid expenses	871	808
Inventory	3,194	3,841
	11,566	12,234
Investment in joint venture	12,766	12,984
Property, plant and equipment	29,860	30,091
Intangible assets	279	304
Deferred income tax assets	9,913	10,247
	64,384	65,860
Liabilities		
Current liabilities		
Accounts payable and other liabilities	7,562	7,108
Demand loan	1,100	-
Short-term debt	8,788	8,330
Current portion of long-term debt	1,500	1,500
Current portion of finance leases	3	6
Current portion of provisions	1,466	1,432
	20,419	18,376
Long-term debt	6,734	7,107
Secured promissory notes	5,933	5,570
Provisions	3,404	3,696
	36,490	34,749
Equity		
Common share capital	168,176	168,176
Warrant reserve	989	989
Equity reserve	2,507	2,446
Accumulated other comprehensive loss	(695)	(617)
Deficit	(143,083)	(139,883)
	27,894	31,111
	64,384	65,860

BIOX Corporation

Condensed consolidated interim statements of cash flows

Three month periods ended December 31, 2016 and 2015

(Unaudited)

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

	2016	2015
	\$	\$
Operating activities		
Net (loss) income	(3,200)	4,381
Add items not involving cash		
Production facility depreciation and amortization	721	786
Depreciation and amortization of equipment and intangible assets	52	56
Financing costs	945	144
Share-based compensation	61	112
Gain on revaluation of provisions	-	(329)
Accretion of provisions	67	89
Loss on investment in joint venture	565	-
Deferred income tax expense	334	-
	(455)	5,239
Net change in non-cash working capital balances related to operations	(1,406)	(7,822)
	(1,861)	(2,583)
Investing activities		
Purchase of property, plant and equipment	(600)	(192)
Investment in joint venture	(42)	-
Decrease in restricted cash	-	260
	(642)	68
Financing activities		
Payments on tank lease provision	(370)	(375)
Payments on finance leases	(3)	(11)
Repayment of debt financing	(375)	(375)
Proceeds from demand loan	1,100	2,000
Issuance of common shares	-	2
Interest paid	(343)	(140)
	9	1,101
Effect of exchange rate changes on:		
Cash held in foreign currency	3	305
Net decrease in cash and cash equivalents during the period	(2,491)	(1,109)
Cash and cash equivalents, beginning of period	3,529	7,709
Cash and cash equivalents, end of period	1,038	6,600