



PRESS RELEASE

TSX symbol: BX

BIOX ANNOUNCES 2017 THIRD QUARTER RESULTS

TORONTO, August 8, 2017 - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that owns and operates biodiesel production facilities, today announced its 2017 third quarter financial results for the three-month (Q3 2017) and nine-month periods ended June 30, 2017.

Highlights

- Production of 16.4 million litres of methylesters at the Hamilton facility and 14.5 million litres of biodiesel at the WEBB facility in Q3 2017
- Sales were \$19,031,000 in Q3 2017
- Operating loss prior to non-cash items¹ was \$1,057,000 in Q3 2017
- Net loss was \$3,313,000 in Q3 2017
- Net loss per basic share was \$0.07 in Q3 2017
- The Board of Directors received, and recommended shareholders vote in favour of, an offer of \$1.23 per common share from a principal shareholder to acquire all outstanding shares of the Company
- Subsequent to the end of the quarter, management and the Board of Directors made a decision to defer the completion of the upgrades at the Sombra facility pending the outcome of the shareholder vote on the announced offer

“Our Hamilton facility continues to operate at the top end of our targeted range and the Houston facility continued to perform well throughout the quarter. Demand for our low carbon intensity biodiesel remains strong in Ontario due to the Greener Diesel program, however the U.S. market remains challenging due to tighter margins and uncertainty related to the U.S. biodiesel tax incentive and the 2018 Renewable Volume Obligation,” said Alan Rickard, Chief Executive Officer of BIOX. “We encourage all shareholders to vote their shares at the upcoming special meeting of shareholders that will consider the offer from a principal shareholder to acquire all outstanding shares of the Company. We intend to file the Management Information Circular in the coming days for the meeting which is scheduled for September 7, 2017. The Board of Directors has recommended shareholders vote in favour of the offer.”

Financial Highlights

Sales were \$19.0 million and \$52.8 million for the three-month (Q3 2017) and the nine-month (YTD 2017) periods ended June 30, 2017, respectively, compared to \$39.7 million and \$86.8 million for the corresponding periods in fiscal 2016. The change in each period is primarily due to the sale of substantial volumes of third party product in fiscal 2016 described below. The change in the YTD period is also partially due to the recognition 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 in YTD 2016.

BIOX sold 16.1 million litres and 45.0 million litres of biodiesel in Q3 2017 and YTD 2017, respectively, compared to 34.8 million litres and 78.2 million litres in the corresponding periods in fiscal 2016. The changes in sales and volume sold for both Q3 2017 and YTD 2017 are primarily due to lower sales of third-party product. The Company sold less than 0.2 million litres and 0.3 million litres of third-party product in Q3 2017 and YTD periods, respectively, compared to 22.1 million litres and 32.8 million litres of third-party product sales in the corresponding periods in fiscal 2016.

Direct expenses were \$18.5 million and \$52.2 million for Q3 2017 and YTD 2017, respectively, compared to \$37.6 million and \$78.8 million for the corresponding periods in fiscal 2016. The changes are 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 periods.

General and administrative expenses were \$1.6 million and \$4.8 million for Q3 2017 and YTD 2017, respectively, compared to \$1.0 million and \$3.8 million for the corresponding periods in fiscal 2016. The changes were primarily due to an increase in professional fees related to management's growth strategies and work related to the Special Committee of the Board in Q3 2017.

Operating loss was \$1.8 million and \$6.5 million for Q3 2017 and YTD 2017, respectively, compared to operating income of \$0.1 million and \$1.5 million for the corresponding periods in fiscal 2016. The change in the quarterly period is primarily due to the expiry of the U.S. biodiesel tax incentive which resulted in lower relative sales revenue in Q3 2017. The change in the YTD period is primarily a result of the collection of \$9.2 million in refundable tax credits, referenced above, related to the reinstatement of the U.S. biodiesel tax incentive in YTD 2016. There was no such revenue recognized in the corresponding period in fiscal 2017.

Operating loss prior to non-cash items¹ was \$1.0 million and \$4.2 million for Q3 2017 and YTD 2017, respectively, compared to an operating income prior to non-cash items of \$0.9 million and \$4.2 million for the corresponding periods in fiscal 2016. The changes in the respective periods are related to the same items referenced in the operating loss section above.

Net loss was \$3.3 million and \$11.6 million for Q3 2017 and YTD 2017, respectively, compared to \$0.9 million and \$1.8 million for the corresponding periods in fiscal 2016. Net loss per basic share was \$0.07 and \$0.25 for Q3 2017 and YTD 2017, respectively, compared to \$0.02 and \$0.04 for the corresponding periods in fiscal 2016. The change in the quarterly period is primarily due to the expiry of the U.S. biodiesel tax incentive which resulted in lower relative sales revenue in Q3 2017. The change in the YTD period is also related to the retroactive reinstatement of the U.S. biodiesel tax incentive referenced above.

As at June 30, 2017, BIOX's available cash position and working capital was \$2.1 million and negative \$24.2 million, respectively, compared with \$3.5 million and negative \$6.1 million at September 30, 2016. The decrease in working capital is primarily due to the receipt of additional short-term funding for the upgrades to the Sombra facility, as well as, the reclassification of promissory notes from long-term to short-term as they mature twelve months from the end of June 30, 2017.

As at June 30, 2017, BIOX had 46,325,544 common shares outstanding, as well as outstanding options to purchase up to 1,430,000 common shares of BIOX and outstanding warrants to purchase up to 4,400,000 common shares of BIOX.

Sombra Update

Management and the Board of Directors have decided to defer the completion of the upgrades at Sombra facility pending a review of the circumstances after the upcoming shareholder vote on September 7, 2017. Given the combination of a narrow margin environment, constrained cash flows from operations and the level of uncertainty in the U.S. biodiesel market, the Company felt the best decision was to defer the balance of the capital spend and the commissioning plans. The facility was purchased based on the strength of the Ontario Greener Diesel program and the Company remains committed to having the facility in full operation in time for the main blending season in 2018.

Special Meeting of Shareholders

In July 2017, BIOX announced that it had signed a definitive arrangement agreement to go private. Under the arrangement agreement, FP Resources Limited and CFFI Ventures Inc. (collectively,

the "Acquiror Group") through 10293547 Canada Limited (the "Purchaser"), a wholly-owned indirect subsidiary of CFFI Ventures, would acquire all of the outstanding common shares of the common shares not already owned by the Acquiror Group for cash consideration of \$1.23 per common share through a court approved plan of arrangement under the Canada Business Corporations Act.

The Company will hold a special meeting of its shareholders on September 7, 2017, to seek approval for the arrangement. The Management Information Circular and related meeting material will be made available 21 days prior to the meeting.

Based on the unanimous recommendation of a Special Committee of the Board, formed to assess the proposed transaction and comprised entirely of independent directors, the Board of Directors of the Company has, with interested directors abstaining: (i) determined that the proposed arrangement agreement is fair to minority shareholders and that it is in the best interests of the Company; and (ii) recommended that shareholders vote in favour of the arrangement agreement.

Reconciliation of Non-IFRS Measures¹

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, 2017 and 2016:

| (in thousands) | Three months ended | | Nine months ended | |
|--|--------------------|-----------------|-------------------|-----------------|
| | 2017 | June 30 2016 | 2017 | June 30 2016 |
| | \$ | \$ | \$ | \$ |
| Operating (loss) income before non-cash items | (1,057) | 939 | (4,186) | 4,192 |
| Deduct: | | | | |
| Production facility depreciation and amortization | (617) | (673) | (2,018) | (2,110) |
| Depreciation and amortization of equipment and intangible assets | (47) | (54) | (149) | (166) |
| Share-based compensation | (33) | (99) | (117) | (356) |
| Provision for unutilized tank storage | (17) | (21) | (17) | (21) |
| Operating (loss) income | (1,771) | 92 | (6,487) | 1,539 |
| Income tax expense | (308) | (798) | (1,075) | (2,537) |
| Other income and expenses | (1,234) | (195) | (4,077) | (844) |
| Net loss | (3,313) | (901) | (11,639) | (1,842) |

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 the Company, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. These statements reflect BIOX's current views regarding future events and operating performance and are based on information currently available to BIOX, and speak only as of the date of this MD&A. 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 commodity prices, all of which are subject to significant volatility and uncertainty and current expectations of management of BIOX regarding the Arrangement (as hereinafter defined) and its consummation, including whether the conditions to the consummation of the Arrangement will be satisfied and the timing for completion. There can be no assurance that forward looking statements will be accurate as many factors could cause the actual results, performance or achievements of the Company 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 MD&A and those discussed in BIOX's publicly available disclosure documents, as filed by BIOX on SEDAR (www.sedar.com) and 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 MD&A as intended, planned, anticipated, believed, estimated or expected. Accordingly, readers should not place undue reliance on forward looking statements. All subsequent forward looking statements, whether written or oral, attributable to BIOX or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Unless required by applicable securities law, BIOX does not intend and does not assume any obligation to update these forward-looking statements.

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BIOX Corporation

Condensed consolidated interim statements of comprehensive loss

Three and nine month periods ended June 30, 2017 and 2016

(Unaudited)

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

| | Three months ended June 30 | | Nine months ended June 30 | |
|--|-------------------------------|------------|------------------------------|------------|
| | 2017 | 2016 | 2017 | 2016 |
| | \$ | \$ | \$ | \$ |
| Revenue | 19,031 | 39,663 | 52,762 | 86,832 |
| Cost of sales | | | | |
| Direct expenses | 18,485 | 37,580 | 52,183 | 78,757 |
| Production facility depreciation and amortization | 617 | 673 | 2,018 | 2,110 |
| | 19,102 | 38,253 | 54,201 | 80,867 |
| Gross margin | (71) | 1,410 | (1,439) | 5,965 |
| Operating expenses | | | | |
| General and administrative | 1,603 | 1,012 | 4,765 | 3,751 |
| Depreciation and amortization of equipment and intangible assets | 47 | 54 | 149 | 166 |
| Share-based compensation | 33 | 99 | 117 | 356 |
| Expansion planning and development | 17 | 153 | 17 | 153 |
| | 1,700 | 1,318 | 5,048 | 4,426 |
| Operating (loss) income | (1,771) | 92 | (6,487) | 1,539 |
| Other expenses | | | | |
| Financing costs | 890 | 525 | 2,575 | 992 |
| Loss on investment in joint venture | 268 | - | 1,379 | - |
| Gain on revaluation of asset retirement obligation | - | - | - | (329) |
| Foreign exchange loss (gain) | 78 | (330) | 132 | 197 |
| | 1,236 | 195 | 4,086 | 860 |
| Net (loss) income before interest income and income taxes | (3,007) | (103) | (10,573) | 679 |
| Income tax expense | (308) | (798) | (1,075) | (2,537) |
| Interest income | 2 | - | 9 | 16 |
| Net loss for the period | (3,313) | (901) | (11,639) | (1,842) |
| Other comprehensive income | | | | |
| Foreign currency translation gain | 145 | 5 | 94 | 62 |
| Comprehensive loss | (3,168) | (896) | (11,545) | (1,780) |
| Loss per common share | | | | |
| Basic | (0.07) | (0.02) | (0.25) | (0.04) |
| Diluted | (0.07) | (0.02) | (0.25) | (0.04) |
| Weighted average number of common shares outstanding | | | | |
| Basic | 46,183,043 | 46,069,404 | 46,183,043 | 46,069,404 |
| Diluted | 46,183,043 | 46,069,404 | 46,183,043 | 46,069,404 |

BIOX Corporation

Condensed consolidated interim statements of changes in equity

Nine month periods ended June 30, 2017 and 2016

(Unaudited)

(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 | other comprehensive loss | |
| | # | \$ | # | \$ | \$ | \$ | \$ |
| 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 | - | - | - | - | - | - | (1,842) |
| Foreign currency translation gain | - | - | - | - | - | 62 | 62 |
| Balance, June 30, 2016 | 46,098,043 | 168,176 | - | - | 2,304 | (597) | 31,567 |
| Balance, September 30, 2016 | 46,098,043 | 168,176 | 4,400,000 | 727 | 2,446 | (617) | 30,849 |
| Share-based compensation | - | - | - | - | 117 | - | 117 |
| Share purchase | 227,501 | 248 | - | - | (112) | - | 136 |
| Net loss | - | - | - | - | - | - | (11,639) |
| Foreign currency translation gain | - | - | - | - | - | 94 | 94 |
| Balance, June 30, 2017 | 46,325,544 | 168,424 | 4,400,000 | 727 | 2,451 | (523) | 19,557 |

BIOX Corporation

Condensed consolidated interim statements of financial position

As at June 30, 2017 and September 30, 2016

(Unaudited)

(Expressed in thousands of Canadian dollars)

| | June 30, 2017 | September 30, 2016 |
|--|------------------|-----------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 2,102 | 3,529 |
| Restricted cash | 1,174 | 1,174 |
| Accounts receivable | 1,890 | 2,882 |
| Prepaid expenses | 529 | 808 |
| Inventory | 4,294 | 3,841 |
| | 9,989 | 12,234 |
| Investment in joint venture | 11,539 | 12,984 |
| Property, plant and equipment | 32,575 | 30,091 |
| Intangible assets | 232 | 304 |
| Deferred income tax assets | 8,911 | 9,985 |
| | 63,246 | 65,598 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and other liabilities | 8,528 | 7,108 |
| Demand loan | 3,461 | - |
| Short-term debt | 14,023 | 8,330 |
| Secured promissory notes | 5,948 | - |
| Current portion of long-term debt | 1,500 | 1,500 |
| Current portion of finance leases | - | 6 |
| Current portion of provisions | 731 | 1,432 |
| | 34,191 | 18,376 |
| Long-term debt | 5,987 | 7,107 |
| Secured promissory notes | - | 5,570 |
| Provisions | 3,511 | 3,696 |
| | 43,689 | 34,749 |
| Equity | | |
| Common share capital | 168,424 | 168,176 |
| Warrant reserve | 727 | 727 |
| Equity reserve | 2,451 | 2,446 |
| Accumulated other comprehensive loss | (523) | (617) |
| Deficit | (151,522) | (139,883) |
| | 19,557 | 30,849 |
| | 63,246 | 65,598 |

BIOX Corporation

Condensed consolidated interim statements of cash flows

Nine month periods ended June 30, 2017 and 2016

(Unaudited)

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

| | 2017 | 2016 |
|--|--------------|------------|
| | \$ | \$ |
| Operating activities | | |
| Net loss | (11,639) | (1,842) |
| Add (less) items not involving cash | | |
| Production facility depreciation and amortization | 2,018 | 2,110 |
| Depreciation and amortization of equipment and intangible assets | 149 | 166 |
| Financing costs | 2,678 | 280 |
| Provision for unutilized tank storage | 17 | 21 |
| Share-based compensation | 117 | 356 |
| Gain on revaluation of provisions | - | (329) |
| Accretion of provisions | 185 | 226 |
| Loss on investment in joint venture | 1,343 | - |
| Income tax expense | 1,075 | 2,537 |
| | (4,057) | 3,525 |
| | | |
| Net change in non-cash working capital balances related to operations | 1,958 | (109) |
| | (2,099) | 3,416 |
| | | |
| Investing activity | | |
| Purchase of property, plant and equipment | (4,315) | (6,899) |
| Investment in joint venture | - | (14,044) |
| Decrease in restricted cash | - | (914) |
| | (4,315) | (21,857) |
| | | |
| Financing activities | | |
| Payments on tank lease provision | (1,113) | (1,130) |
| Payments on finance leases | (6) | (23) |
| Proceeds from debt financing | 5,000 | 12,917 |
| Repayment of long-term debt financing | (1,125) | (1,125) |
| Proceeds from demand loan | 3,461 | 510 |
| Issuance of common shares | 136 | 26 |
| Interest paid | (1,161) | (276) |
| | 5,192 | 10,899 |
| | | |
| Effect of exchange rate changes on: | | |
| Cash held in foreign currency | (205) | 418 |
| | | |
| Net decrease in cash and cash equivalents during the period | (1,427) | (7,124) |
| Cash and cash equivalents, beginning of period | 3,529 | 7,709 |
| Cash and cash equivalents, end of period | 2,102 | 585 |