biox
CORPORATION

PRESS RELEASE **TSX symbol: BX**

BIOX ANNOUNCES 2016 FIRST QUARTER RESULTS

TORONTO, February 4, 2016 - BIOX Corporation (BIOX) (TSX: BX), a renewable energy company that designs, builds, owns and operates biodiesel production facilities, today announced its 2016 first quarter financial results (Q1 2016) for the three-month period ended December 31, 2015.

Highlights

- Production of methylesthers was 16.3 million litres, or approximately 97.5% of nameplate capacity, in Q1 2016 compared to 16.2 million litres, or approximately 96.5% of nameplate capacity, in Q1 2015
- Sales were $25,743,000 in Q1 2016, compared to $27,408,000 in Q1 2015
- Operating income was $4,216,000 in Q1 2016 compared to $4,679,000 in Q1 2015
- Operating income prior to non-cash items(1) was $5,358,000 in Q1 2016 compared to $5,718,000 in Q1 2015
- Net income was $4,193,000 in Q1 2016 compared to $4,312,000 in Q1 2015
- Net income per share was $0.09 in Q1 2016, unchanged from Q1 2015
- Sold 5.5 million litres of third-party production

"Financially, the quarter was highlighted by the retroactive reinstatement of the U.S. biodiesel tax incentive which allowed us to recognize US$6.7 million in sales in calendar 2015 which bolsters our Q1 results," said Alan Rickard, Chief Executive Officer of BIOX. "Our confidence for 2016 remains high as the primary driver of the market, volumetric requirements, grow. In the U.S., the EPA increased the RVO mandated volumetric guidelines through 2017, providing significant clarity and certainty for our sector. And in our domestic market, the Ontario renewable diesel mandate increases to a 3% volume requirement in 2016 which is expected to increase demand."

Financial Highlights

Sales were $25.7 million for the three-month period ended December 31, 2015 (Q1 2016) compared to $27.4 million for the three-month period ended December 31, 2014 (Q1 2015). Sales for Q1 2016 include the recognition of US$6.7 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. BIOX sold 19.7 million litres in Q1 2016, including 5.5 million litres of third-party production, compared to 19.4 million litres in the same period last year with 0.9 million litres in third-party sales. The change in sales is primarily a result of higher average revenue per litre in Q1 2015 that included the $0.08 per litre ecoENERGY payment from the Government of Canada which expired March 31, 2015.

Direct expenses were $18.9 million for Q1 2016 compared to $20.5 million for the corresponding period last year. The change is primarily due to lower feedstock and energy costs.

General and administrative expenses were $1.5 million for Q1 2016 compared to $1.2 for the corresponding period last year. The change is primarily due to $0.4 million in non-recurring costs related to management restructuring in Q1 2016.

Operating income was $4.2 million for Q1 2016 compared to $4.7 million for the corresponding period last year. The change is a result of the average revenue per litre and $0.4 million in non-recurring costs mentioned above.

Operating income prior to non-cash items[1] was $5.4 million for Q1 2016 compared to $5.7 million for the corresponding period last year.

Net income was $4.2 million or $0.09 per fully diluted share for Q1 2016, relatively unchanged from $4.3 million or $0.09 per share for the corresponding period last year.

As at December 31, 2015, BIOX's available cash position amounted to $6.6 million, which consisted of cash and cash equivalents and short-term investments, compared with $7.7 million on September 30, 2015.

As at December 31, 2015, BIOX had 46,032,124 common shares outstanding, as well as options to purchase up to 2,264,669 common shares of BIOX outstanding.

Outlook

BIOX continues to pursue growth strategies that would expand its business through increasing the volume of biodiesel it produces, controls and distributes in strategic locations throughout North America. During Q1 2016, BIOX sold 5.5 million litres of third-party product as part of its strategy to touch more gallons and deliver greater value for product to participants across the biodiesel value chain.

On November 30, 2015, the EPA announced its final RVO proposal for Biomass-based diesel for 2014 through 2017. The announcement provided clarity for both producers and obligated parties for the required volumes two years in advance for the first time since 2012. This clarity is a critical component of a sustainable biodiesel industry in the U.S. Biomass-based diesel 2016 RINs traded at approximately $0.77 (or $1.16 per U.S. gallon) as of February 3, 2016.

While BIOX has historically sold the majority of its product into the U.S. market, the implementation of the Canadian regulations as described in BIOX's management's discussion and analysis for the three-month period ended December 31, 2015 significantly increase the accessible market for its product in Canada. Furthermore, the implementation of a renewable diesel mandate in Ontario on April 1, 2014, provides BIOX with market certainty in its local region, which supports the significant capital investment that it made in the Hamilton facility. Once fully implemented, the regulation requires the use of an estimated 240 million litres of bio-based diesel per annum on an average GHG adjusted volume basis.

BIOX's inter-terminal pipeline and supply agreement with Shell is an example of how the Company can directly service primary suppliers with a secure supply of biodiesel under the new Canadian and Ontario regulations by the most efficient possible logistics. The supply of biodiesel under this agreement has the potential to become a significant portion of BIOX's Hamilton production given the implementation of the Ontario mandate and as the Canadian Renewable Fuel Content Regulations extend eastward into Québec and the Atlantic provinces.

On December 18, 2015, the U.S. President signed into law tax extenders legislation that included the biodiesel tax incentive. The reinstatement of the biodiesel tax incentive is retroactive to January 1, 2015 and carries through to December 31, 2016. The passage of the legislation is significant as it provides greater certainty for producers, refiners and importers of biodiesel. The retroactive reinstatement of the biodiesel tax incentive allowed BIOX to collect approximately US$6.7 million in refundable tax credits from customers and the IRS related to sales to customers during calendar 2015. The retroactive revenue was recognized as revenue in Q1 2016.

Notice of Conference Call

BIOX will hold a conference call tomorrow, February 5, 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 42511947. 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 months ended December 31, 2015 and 2014:

(in thousands)		Three months ended December	
		2015	2014
		$	**$**
Operating income before non-cash items		**5,358**	5,718
Deduct:	Production facility depreciation and amortization	**(974)**	(956)
	Depreciation and amortization of equipment and intangible assets	**(56)**	(60)
	Share-based compensation	**(112)**	(23)
Operating income		**4,216**	4,679
Other income and expenses		**(23)**	(367)
Net income		**4,193**	4,312

(1) *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 furniture, 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 a 67 million litre per year continuous flow biodiesel production facility in Hamilton, 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, 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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Condensed consolidated interim statements of comprehensive income

Three month periods ended December 31, 2015 and 2014

(Unaudited)

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

	2015	2014
	$	$
Revenue	**25,743**	27,408
Cost of sales		
Direct expenses	**18,909**	20,538
Production facility depreciation and amortization	**974**	956
	19,883	21,494
Gross margin	**5,860**	5,914
Operating expenses		
General and administrative	**1,476**	1,152
Depreciation and amortization of equipment and intangible assets	**56**	60
Share-based compensation	**112**	23
	1,644	1,235
Operating income	**4,216**	4,679
Other expenses		
Financing cost	**238**	319
Gain on revaluation of asset retirement obligation	**(329)**	-
Foreign exchange loss	**124**	57
	33	376
Net income before interest income and income taxes	**4,183**	4,303
Interest income	**10**	9
Net income for the period	**4,193**	4,312
Other comprehensive loss		
Foreign currency translation gain (loss)	**35**	(88)
Comprehensive income	**4,228**	4,224
Income per common share		
Basic	**0.09**	0.09
Diluted	**0.09**	0.09
Weighted average number of common shares outstanding		
Basic	**46,026,950**	45,710,967
Diluted	**46,532,877**	45,727,634

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Condensed consolidated interim statements of changes in equity

Three month periods ended December 31, 2015 and 2014

(Unaudited)

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

	Common share capital						
	Shares	**Amount**	**Warrants reserve**	**Equity reserve**	**Accumulated other comprehensive loss**	**Deficit**	**Total equity**
	#	**$**	**$**	**$**	**$**	**$**	**$**
Balance, September 30, 2014	45,710,967	167,773	3,151	2,965	(252)	(137,313)	36,324
Share-based compensation	-	-	-	23	-	-	23
Net income	-	-	-	-	-	4,312	4,312
Foreign currency translation loss	-	-	-	-	(88)	-	(88)
Balance, December 31, 2014	45,710,967	167,773	3,151	2,988	(340)	(133,001)	40,571
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	-	-	-	-	-	4,193	4,193
Foreign currency translation loss	-	-	-	-	35	-	35
Balance, December 31, 2015	**46,032,124**	**168,134**	**-**	**2,079**	**(624)**	**(132,281)**	**37,308**

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Condensed consolidated interim statements of financial position
As at December 31, 2015 and September 30, 2015
(Unaudited)
(Expressed in thousands of Canadian dollars)

	December 31, 2015	September 30, 2015
	$	$
Assets		
Current assets		
Cash and cash equivalents	**6,600**	7,709
Accounts receivable	**10,376**	3,635
Prepaid expenses	**845**	617
Inventory	**3,907**	3,086
	21,728	15,047
Restricted cash	**-**	260
Property, plant and equipment	**24,733**	26,205
Intangible assets	**383**	409
Deferred income tax assets	**13,223**	13,223
	60,067	55,144
Liabilities		
Current liabilities		
Accounts payable and other liabilities	**4,900**	4,687
Demand loan	**2,000**	-
Current portion of long-term debt	**1,500**	1,500
Current portion of finance leases	**18**	22
Current portion of provisions	**1,504**	1,450
	9,922	7,659
Finance leases	**3**	6
Long-term debt	**8,231**	8,605
Provisions	**4,603**	5,909
	22,759	22,179
Equity		
Common share capital	**168,134**	168,130
Equity reserve	**2,079**	1,968
Accumulated other comprehensive loss	**(624)**	(659)
Deficit	**(132,281)**	(136,474)
	37,308	32,965
	60,067	55,144

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Condensed consolidated interim statements of cash flows

Three month periods ended December 31, 2015 and 2014

(Unaudited)

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

	2015	2014
	$	$
Operating activities		
Net income	**4,193**	4,312
Add items not involving cash		
Production facility depreciation and amortization	**974**	956
Depreciation and amortization of equipment and intangible assets	**56**	60
Financing costs	**144**	163
Provision for unutilized tank storage	**-**	(226)
Unrealized foreign exchange gain	**-**	(665)
Share-based compensation	**112**	23
Gain on revaluation of provisions	**(329)**	-
Accretion of provisions	**89**	88
	5,239	4,711
Net change in non-cash working capital balances related to operations	**(7,822)**	(5,799)
	(2,583)	(1,088)
Investing activities		
Purchase of property, plant and equipment	**(192)**	(116)
Decrease in restricted cash	**260**	437
	68	321
Financing activities		
Payments on tank lease provision	**(375)**	-
Payments on finance leases	**(11)**	(7)
Repayment of debt financing	**(375)**	-
Proceeds from demand loan	**2,000**	-
Issuance of common shares	**2**	-
Interest paid	**(140)**	(162)
	1,101	(169)
Effect of exchange rate changes on:		
Cash held in foreign currency	**305**	577
Net decrease in cash and cash equivalents during the period	**(1,109)**	(359)
Cash and cash equivalents, beginning of period	**7,709**	7,212
Cash and cash equivalents, end of period	**6,600**	6,853