



GEMINI REPORTS FIRST QUARTER 2017 RESULTS

CALGARY – May 26, 2017 – **Gemini Corporation (GKX-TSXV)** (“Gemini” or the “Company”) today announced first quarter 2017 results.

“The business environment in Western Canada continues to be fiercely competitive and although requests for proposals and bidding activity has been steady, Gemini’s win rate has not been as good as we had hoped. Our first quarter was slower than expected”, said Pete Sametz, Gemini’s President and CEO.

“As we actively seek out new business opportunities and refine our estimating process, our key challenge for the remainder of the year continues to be securing new work with reasonable margins while maintaining the excellent execution and client satisfaction levels that were achieved in 2016. We have excellent employees who are working very closely with key clients to support them in this tough environment. We continue to manage our balance sheet carefully and we are very pleased to announce the closing of a \$14 million credit facility for working capital needs with our new financial partner, ATB Financial.”

FINANCIAL HIGHLIGHTS

(\$'000's)	Three months ended	
	March 31,	
	2017	2016
Revenue	\$6,718	\$30,821
Gross profit (loss)	(266)	2,278
Net loss	(2,898)	(1,454)
Net loss per share - basic and diluted	(0.04)	(0.02)
Adjusted EBITDA ⁽¹⁾	(2,595)	(841)

(\$'000's)	March 31,	December
	2017	31, 2016
Working capital ⁽¹⁾	\$4,414	\$8,334
Working capital ratio ⁽¹⁾	1.6:1	1.8:1
Total assets	16,932	23,089
Total equity	4,860	7,741
Total liabilities to equity ratio ⁽¹⁾	2.5:1	2.0:1

⁽¹⁾ Non-IFRS financial measure

FIRST QUARTER 2017 OVERVIEW

- For the three months ended March 31, 2017, Gemini recorded revenue of \$6.7 million, a decline of 78% or \$30.8 million from the same period in 2016. The Ponoka fabrication facility was inactive during the first quarter due to lack of significant projects, compared to the same period last year where modules were being constructed related to the Alberta Northwest Upgrader and Fort Hills projects.
- Adjusted EBITDA for the three months ended March 31, 2017 was a loss of \$2.6 million, compared to a loss of \$0.8 million in the first quarter of 2016.
- Administrative expenses for the quarter decreased by \$0.9 million, a reduction of 27% compared to the same period in 2016. This reduction is a result of significant cost cutting measures and restructuring undertaken in 2016, the impact of which are now being realized.

- Cash flow from operations was \$0.5 million for the quarter. By comparison, Gemini's operations used \$3.0 million of cash during the same period in 2016.
- Gemini ended the quarter with \$1.8 million cash, up slightly from the year end cash balance of \$1.6 million.
- On March 30, 2017, the Company signed a term sheet for a two year committed senior secured revolving credit facility of up to \$14 million plus an accordion feature for an additional \$4 million as needed. The new credit facility was finalized and put in place effective May 25, 2017.
- The Company completed a corporate amalgamation effective April 1, 2017. The amalgamation allows for the simplification of back office processes and realization of future cost savings and operating efficiencies.

OUTLOOK

The Company and industry adjusted to the reduced activity levels in 2016 and now Gemini is working to grow cash flow, personnel, project quality and capability, while competing fiercely for new business. The industry optimism that existed at the beginning of the year, based on improved economic activity, an increase in capital budgets and improved energy prices, has now given way to the sober realization that 2017 is recovering slower than anticipated.

Today the Company finds itself dealing with an environment where the lowest cost is the primary consideration when awarding new work. Requests for proposals and bidding activity remains high, however, the Company found it challenging to secure new work at profitable levels in the first quarter of the year despite positive feedback on our technical submissions and execution strategies. Having strengthened the balance sheet and secured a new credit facility, the Company will continue to balance the desire for work volume with a cautious risk management approach that seeks to avoid exposing the Company to financial loss by bidding unprofitable or excessively risky projects.

Gemini continues to focus on business development, rigorous estimating and controls, operational excellence and execution processes to find innovative ways to bring value to clients and secure new backlog. Interestingly, many of the proposals and requests for pricing are also associated with work not expected to commence until 2018 as clients attempt to lock in today's low prices for next year's work.

The Company is now expecting revenue for 2017 to be less than 2016 but expects activity to pick up in the second half of 2017 into 2018. Gemini's fabrication shop in Ponoka has recently started to ramp up activity with key long-term clients. Environmental and maintenance services are also seeing increased activity, while construction activity levels in the Fort Saskatchewan region remain challenging.

The Company experienced a higher than normal level of attrition in the first five months of 2017 and has decided to defer the replacement of all non-essential positions until backlog levels improve. On an annualized basis, approximately \$2.1 million of salary costs have been eliminated through attrition and we expect to realize further savings in the second quarter. Processes have also been established to ramp back up quickly as necessary. The Company is confident that the quality and dedication of Gemini's personnel are best of class and our accessibility to the local workforce will allow us to bring on new personnel as required.

While the economic environment for Gemini remains highly competitive, the Company continues to have confidence in the teams' ability to secure new work with reasonable margins while maintaining the excellent execution standards and client satisfaction that was achieved in 2016. Gemini is fortunate to have solid, trusted relationships with a group of active, growth oriented clients that we value highly.

MD&A AND FINANCIAL STATEMENTS

The 2017 Q1 Management's Discussion and Analysis, and the Consolidated Financial Statements provide a detailed explanation of Gemini's operating results for the three months ended March 31, 2017. Gemini's 2017 first quarter will be filed on SEDAR at <http://www.sedar.com> by May 26, 2017.

FORWARD-LOOKING STATEMENTS AND NON-IFRS FINANCIAL MEASURES

This news release may contain forward looking information that represents Gemini's expectations, estimates or beliefs concerning, among other things, the timing of any recovery in oil and gas prices, the recovery of the markets for the Company's products and services, future operating results and various components thereof, or Gemini's future economic performance. All statements other than the statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expects" and similar expressions. The estimates and beliefs contained in such forward-looking statements are based on management's assumptions relating to Gemini's performance and competition within the sectors in which it competes, the continuation of the current regulatory and tax regimes in the jurisdictions in which Gemini operates, and necessarily involve known and unknown risks and uncertainties, including risks and assumptions relating to client service demand, field service costs, labour rates and other factors that may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted or suggested. Gemini does not undertake to update any forward-looking information in this document whether as to new information, future events or otherwise.

This news release refers to certain Non-IFRS financial measures that are not determined in accordance with International Financial Reporting Standards ("IFRS"). The measures used are "backlog", "working capital", "working capital ratio" and "adjusted EBITDA". These measures are used by our management to assist in making operating decisions and assessing performance. While we calculate these measures consistently from period to period, they likely will not be directly comparable to similar measures used by other companies because they do not have standardized meanings prescribed by IFRS. See the "Non-IFRS Measures" section of the March 31, 2017 MD&A. Investors are encouraged to evaluate each adjustment and the reasons Gemini considers it appropriate for supplemental analysis. Investors are cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indication of Gemini's performance. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

ABOUT GEMINI

Gemini operates as an integrated project solutions company focused on energy and industrial facilities. Gemini offers services on either a stand-alone basis or in a combination, integrated to provide our clients with a single point of accountability. The Company will be celebrating its 35th anniversary in 2017.

Through an all-in commitment from every individual in the Company, Gemini is determined to change the client perspective of how project services should be delivered. The Company is uniquely qualified to provide a full spectrum of modular and integrated project solutions, leveraging a philosophy and approach that directly aligns with its clients' business objectives.

The Company is capable of servicing its clients through the full life cycle of their assets; from asset acquisition, environmental and regulatory support, engineering, fabrication, construction, maintenance, turnarounds, de-commissioning, reclamation and remediation. Gemini provides full project management to integrate any or all of these services. The Company's principal target markets are oil and gas, heavy oil, oil sands, midstream and pipeline facilities, hydrocarbon processing, power and other industrials.

The Company operates in western Canada and is headquartered in Calgary with offices in Ponoka, Fort Saskatchewan and Fort St. John.

Shares of Gemini trade on the TSX Venture Exchange under the symbol "GKX". For more information about the Company and its services, go to www.geminiCorp.ca.

FOR FURTHER INFORMATION

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