



GEMINI REPORTS FOURTH QUARTER AND FULL YEAR 2016 RESULTS

CALGARY – March 30, 2017 – **Gemini Corporation (GKX-TSXV)** (“Gemini” or the “Company”) today announced fourth quarter and full year 2016 results.

“For Gemini, 2016 was a year of recovery, stabilization and transformation as the Company successfully executed on multiple projects and generated positive operating cash flows. The Company was presented with many challenges and obstacles in 2016 as the energy sector in western Canada continued to experience declines in output and investment in capital. Gemini’s success is tied closely to our clients who operate in this sector”, said Pete Sametz, Gemini’s President and CEO.

“The rail loading terminal project in 2015 resulted in an erosion of the working capital and cash position of the Company at the start of the year. Gemini paid off its line of credit of \$10.3 million during the year. The improved balance sheet and financial condition has enabled the company to negotiate a new credit facility effective March 30, 2017 for working capital financing.”

FINANCIAL HIGHLIGHTS

\$'000's	Three months ended December 31		Year ended December 31	
	2016	2015	2016	2015
Revenue	12,225	21,278	94,417	166,557
Gross profit (loss)	4,241	(4,008)	15,719	(2,267)
Net loss	(1,058)	(3,763)	(5,606)	(17,183)
Net loss per share - basic and diluted	(0.01)	(0.05)	(0.07)	(0.22)
Adjusted EBITDA ⁽¹⁾	1,334	(1,062)	3,287	(17,817)

\$'000's	December 31, 2016	December 31, 2015
Working capital ⁽¹⁾	\$8,334	\$8,943
Working capital ratio	1.8:1	1.3:1
Long-term liabilities	5,454	4,785
Total assets	23,089	44,773
Tangible net worth ⁽¹⁾	6,565	9,162

⁽¹⁾ Non-IFRS financial measure

FULL YEAR 2016 OVERVIEW

- For the year ended December 31, 2016, Gemini recorded revenue of \$94.4 million, a decline of 43.3% from \$166.6 million in 2015. This decline reflects the challenging operating and market conditions that existed in western Canada, particularly in the energy sector in which the Company primarily operates.
- Adjusted EBITDA for the year ended December 31, 2016 was \$3.3 million, compared to a loss of \$17.8 million in 2015. The last two quarters of 2016 have been profitable due to the combination of excellent project management and execution and cost reduction initiatives that were started earlier in the year.
- Administrative expenses for the year decreased by \$2.6 million, a reduction of 16.0% compared to the prior year. In response to challenging market conditions, the cost structure was strategically realigned to match the reduced level of activity in 2016. The administrative expenses were reduced from \$16.2 million in 2015 to \$13.6 million in 2016.

- Cash flow from operations was \$12.6 million for the year. By comparison, Gemini's operations used \$26.1 million of cash in 2015. The Company commenced the year with a bank operating line of \$10.4 million and ended the year with cash and cash equivalents of \$1.6 million.
- A \$3.3 million non-cash impairment charge was recorded during the year, taking into account the challenging business environment and reduced work levels primarily in the Environmental Solutions group.
- Gemini assessed current office space requirements and recorded a non-cash onerous lease provision of \$2.1 million in 2016 as a result of excess and unused space.

FOURTH QUARTER 2016 OVERVIEW

- For the three months ended December 31, 2016, Gemini recorded revenue of \$12.2 million, a decline of 42.5% from \$21.3 million in 2015. Gemini's fourth quarter revenue was principally achieved within the Field Solutions group which was comprised of field construction work in the Heartland region of Alberta.
- Gross profit was \$4.2 million, a considerable improvement from the loss of \$4.0 million incurred in the fourth quarter of 2015. The negative gross profit in 2015 was attributable to the rail loading terminal project that was completed in the fourth quarter of 2015.
- Adjusted EBITDA was \$1.3 million for the fourth quarter of 2016, compared to a loss of \$1.1 million in the same period in 2015.
- The Company recorded a non-cash onerous lease provision of \$1.5 million in the fourth quarter of 2016 as a result of further revising estimates and assumptions regarding excess and unused office space in Sherwood Park and Calgary.
- Workforce reductions resulted in \$0.4 million of restructuring costs in the fourth quarter.
- Gemini generated \$3.4 million in cash from operations and used those funds to pay down accounts payables and other trade liabilities by \$7.7 million and \$2.4 million of bank operating line.

OUTLOOK

The oil and gas industry in western Canada is starting to show modest signs of improvement. Industry spending appears to remain focused on operational maintenance and the completion of projects that were underway prior to the recent downturn. Gemini continues to pursue new business in industrial sectors outside of energy where integrated fabrication, construction and maintenance offerings are easily transferable. Requests for proposals and bidding activity in the first quarter of 2017 have increased fairly significantly compared to the second half of 2016. Gemini continues to pursue additional backlog for 2017 as its primary objective. The Company currently has approximately \$40.0 million of secured revenue and are awaiting the results of several proposal submissions.

It is expected that revenue for 2017 could increase modestly from 2016 with continued pressure on margins as clients attempt to lock in 2016 pricing at reduced levels for future projects. Gemini's focus continues to be on servicing sustaining projects and streamlining operating activities. It is anticipated that margins will remain compressed for the first half of 2017 as service industry capacity is reduced and commodity prices stabilize.

Gemini has an outstanding and well respected client base and there is additional work to pursue with them. The Company believes that an integrated approach with an emphasis on safety and exemplary execution creates value for its clients in this challenging environment. Gemini is focused on the tasks at hand and is responding with unwavering enthusiasm and passion. We are encouraged by the strong

performance of our team particularly in the second half of 2016 and confident that the initiatives put in place in 2016 will position the Company for success in 2017 as the western Canadian energy sector recovers.

MD&A AND FINANCIAL STATEMENTS

The 2016 Q4 Management's Discussion and Analysis, and the Consolidated Financial Statements provide a detailed explanation of Gemini's operating results for the three months and year ended December 31, 2016. Gemini's 2016 fourth quarter and full year report will be filed on SEDAR at <http://www.sedar.com> by March 31, 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", "tangible net worth" 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 December 31, 2016 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, through its subsidiaries, 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. Services and products are delivered through three business segments: Field Solutions, Engineered Solutions and Environmental Solutions.

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.gemincorp.ca.

FOR FURTHER INFORMATION

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