



GEMINI REPORTS FIRST QUARTER 2017 RESULTS

CALGARY – May 25, 2017 – Gemini Corporation (GKX-TSXV) (“Gemini” or the “Company”) today announced first quarter 2017 results.

“Our first quarter was slower than expected although coming out of 2016 we were as slow as we have ever been. The business environment in Western Canada is 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”, said Pete Sametz, Gemini’s President and CEO. “As we actively seek out business and refine our estimates, our key challenge for the remainder of the year continues to be securing new work with reasonable margins while maintaining excellent execution and client satisfaction that was achieved in 2016. Gemini is also pleased to announce the closing of our previously announced credit facility with our new financial partner, ATB Financial.”

FINANCIAL HIGHLIGHTS

(\$'000's)	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, 2017	December 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	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 24, 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

Fundamentally the Company and industry wound down in 2016 and now we have to ramp up effectively on cash flow, personnel and project quality and capability, while competing fiercely for business. The industry optimism that existed at the beginning of the year was based on improved economic activity, an increase in capital budgets and improved energy prices but this has now given way to the sober realization that 2017 will not recover as quickly as expected.

We are dealing with an environment where lowest cost is the primary consideration when awarding work. Although requests for proposals and bidding activity remains high, the Company has not been successful in securing new work at the levels expected to achieve its targets for the first quarter of the year, despite positive feedback on technical submissions and execution strategies. We are attempting to balance our 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. We continue 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 based on the lower than expected win ratio on project bids. We still expect activity to pick up in the second half of 2017. Our fabrication shop in Ponoka has recently started to ramp up for some key long term customers and while environmental services and maintenance services are also picking up, our construction activity in the Heartland is not where we want it to be. Even if we were to achieve a comparable level of revenue, competitive pressures are expected to result in lower margins on projects and services.

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 additional backlog is secured. On an annualized basis, approximately \$2.1 million of salary costs have been eliminated through attrition at this time. We expect to realize further savings of Administrative expenses in the second quarter as a result of this attrition. We have also set up processes to ramp back up quickly as we believe the nature of this very competitive industry is such that over the next few years companies that can fairly, nimbly and smartly ramp up and down will be successful.

The key challenge for Gemini in 2017 continues to be securing new work with reasonable margins while maintaining the excellent execution standards and client satisfaction we achieved in 2016.

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, 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.geminiCorp.ca.

FOR FURTHER INFORMATION

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