



PYROGENESIS ANNOUNCES PLANS TO SPIN-OFF ADDITIVE MANUFACTURING (3D PRINTING) INTO AN INDEPENDENT PUBLIC COMPANY

MONTREAL, QUEBEC--(Marketwired - April 7, 2016) - PyroGenesis Canada Inc. (<http://pyrogenesis.com>) (TSX-V: PYR) (OTCQB: PYRNF), a TSX Venture clean-tech company (the "Company" or "PyroGenesis") that designs, develops, manufactures and commercializes plasma waste-to-energy systems and plasma torch products, announces today that its Board of Directors have unanimously approved its plan to ultimately spin-off 80% of its Additive Manufacturing (3D Printing) business into an independent publicly-traded company (the "Transaction"). The name of such company shall be determined at a later date but for the purposes herein, will be referred to as "3DCo".

After the successful spin-off, 3DCo will have all rights to (i) produce metal and alloy powders for the Additive Manufacturing (3D Printing) industry using PyroGenesis' patented technology and (ii) to distribute powder production systems and equipment under an exclusive world-wide license with PyroGenesis. PyroGenesis will continue to benefit from (i) supplying systems and equipment to 3DCo with traditional margins, and (ii) provide standard maintenance and technical support services to 3DCo for each system purchased, for up to \$750K per system per year.

In consideration of a non-compete agreement to be entered into between PyroGenesis and 3DCo, PyroGenesis will, in addition, receive royalty payments of up to ten percent (10%) of powder production revenues from 3DCo. This Transaction is expected to be staged over the next four (4) months, at which time PyroGenesis' shareholders will own and control all the issued and outstanding shares of both companies, either directly or indirectly (through their holdings in PyroGenesis). The spin-off is intended to be structured as a tax-free transaction to shareholders for Canadian income tax purposes; however the final structure and method to effect this Transaction remain to be finalized.

"Spinning off 3DCo will help attract an investor base best suited to the company's unique value proposition, particular business operations and financial characteristics, thereby maximizing shareholder value and placing it in a better position to ramp up, generate revenues, and develop strategic relationships/partners than had it remained part of PyroGenesis" said Mr. P. Peter Pascali, President and CEO of PyroGenesis. "As such, 3DCo will be able to sharpen its strategic focus and provide flexibility to capitalize on the unique growth opportunities within its

market sector. At the same time, it will provide PyroGenesis with a source of repeat business and recurring revenues as well as an investment position in a vibrant public company.”

3DCo is expected to be in commercial production as early as Q3 2016, with a second system coming online in Q1 2017. 3DCo will be a premier provider of high performance, high quality metal powders. This cutting edge, patented technology, also has the ability to revolutionize the 3D printing industry by developing new and innovative powders thereby enabling the industry to consider applications which, until now, were not feasible without such powders. Particularly of note is that PyroGenesis’ system is extremely flexible and can be adjusted to process other metal wires, including composites, which until now have not been considered practical to produce by other methods. In June 2015, PyroGenesis filed a provisional patent for improvements to its existing plasma atomization process.

According to Wohlers Report (2015), the global demand for 3D printers is expected to grow from 1,200 machines in 2014 to over 14,000 machines in 2020. As such, the demand for metal powders is estimated to increase exponentially to 8.6Mkg by 2020, generating \$3.45B in worldwide revenues. Small, spherical, uniform, titanium powders, such as those to be produced by 3DCo, will account for over 30% of this metallic powder demand.

“Our plasma atomization system produces powders of the highest purity, while being extremely spherical, and having a very narrow particle size distribution, making it ideally suited for the powder requirements of the growing 3D printing industry,” said Mr. Pierre Carabin, Director of Engineering of PyroGenesis. “Building on our history of providing such powders to the biomedical industry (since before 2004), combined with our developed expertise and know-how in metal powder production, our team of engineers have recently made significant improvements to our current technology, laying down the groundwork for future success.”

The Transaction is currently being reviewed by PyroGenesis, with the assistance of its accounting, legal and financial advisors, in order to find the most suitable and efficient structure. The steps required to effect the Transaction remain to be completed, however PyroGenesis expects that to occur within Q3 2016. The Transaction is subject to customary conditions, regulatory approvals and tax considerations.

“Defining, focusing and seizing opportunities have defined PyroGenesis from its inception,” said Mr. Pascali. “With the unanimous support of PyroGenesis’ Board of Directors, we are now taking the next logical step and spinning-off Additive Manufacturing with its distinct and compelling opportunities, all the while improving PyroGenesis’ financial returns. The Board’s decision to approve such a Transaction reflects PyroGenesis’ ongoing commitment to implement bold changes to deliver sustainable growth and enhanced shareholder value.”

About PyroGenesis Canada Inc.

PyroGenesis Canada Inc., a TSX Venture 50® clean-tech company, is the world leader in the design, development, manufacture and commercialization of advanced plasma processes. We provide engineering and manufacturing expertise, cutting-edge contract research, as well as turnkey process equipment packages to the defense, metallurgical, mining, advanced materials (including 3D printing), oil & gas, and environmental industries. With a team of experienced engineers, scientists and technicians working out of our Montreal office and our 3,800 m² manufacturing facility, PyroGenesis maintains its competitive advantage by remaining at the forefront of technology development and commercialization. Our core competencies allow PyroGenesis to lead the way in providing innovative plasma torches, plasma waste processes, high-temperature metallurgical processes, and engineering services to the global marketplace. Our operations are ISO 9001:2008 certified, and have been since 1997. PyroGenesis is a publicly-traded Canadian company on the TSX Venture Exchange (Ticker Symbol: PYR) and on the OTCQB Marketplace (Ticker Symbol: PYRNF). For more information, please visit www.pyrogenesis.com

This press release contains certain forward-looking statements, including, without limitation, statements containing the words "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "in the process" and other similar expressions which constitute "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements reflect the Company's current expectation and assumptions, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. These forward-looking statements involve risks and uncertainties including, but not limited to, our expectations regarding the acceptance of our products by the market, our strategy to develop new products and enhance the capabilities of existing products, our strategy with respect to research and development, the impact of competitive products and pricing, new product development, and uncertainties related to the regulatory approval process. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks and uncertainties and other risks detailed from time-to-time in the Company's ongoing filings with the securities regulatory authorities, which filings can be found at www.sedar.com, or at www.otcmarkets.com. Actual results, events, and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable securities laws.

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