PyroGenesis Announces Receipt of \$340K Down Payment on Previously Announced Sale of Patented DROSRITE™ Furnace System to North American Automobile Parts Manufacturer; Paves Way for Additional System Sales in Early 2016

MONTREAL, July 20, 2015 /CNW Telbec/ - **PyroGenesis Canada Inc.** (http://pyrogenesis.com) (TSXV: PYR), a TSX Venture 50® clean-tech company (the "Company" or "PyroGenesis") that designs, develops, manufactures and commercializes plasma waste-to-energy systems and plasma torch products, announced today the receipt of a \$340K down payment for the supply of its first commercial DROSRITE™ Furnace System (the "System") to a North American automobile parts manufacturer (the "Client"), which will be delivered by year-end. The name of the Client remains confidential for competitive reasons.

As previously announced, this contract was signed last June based on the successful results of a two-week pilot demonstration of the DROSRITE™ process at one (1) of the Client's North American manufacturing facilities earlier this year. The System is expected to become operational in Q1 2016, and will showcase the transformative nature of PyroGenesis' DROSRITE™ technology to an industry that has been plagued by rising electricity costs, large carbon footprint, and poor environmental legacies. It is expected that, soon after successful commissioning, the Client will purchase two (2) additional DROSRITE™ Systems.

DROSRITE™ is a salt-free, cost-effective, sustainable process for maximizing metal recovery from dross, a waste generated in the metallurgical industry. DROSRITE™ avoids costly loss of metal, while reducing a smelter's carbon footprint and energy consumption, providing an impressive return on investment. PyroGenesis' patented DROSRITE™ process increases aluminum alloy recovery from dross and reduces operating costs while at the same time producing no hazardous byproducts. In comparison, competing processes have significantly higher operating costs and produce a hazardous waste that has to be disposed of at additional cost. PyroGenesis filed a patent for DROSRITE™ in 2012.

"This contract provides PyroGenesis with the crucial reference plant it has been seeking," said Tom Whitton, a PyroGenesis Business Development Leader. "With this first project underway, PyroGenesis can now leverage this success to market DROSRITE™ to primary and secondary aluminum smelters as well as large finished goods manufacturers primarily in the transportation sector."

"With over 53 million metric tonnes of aluminum produced in 2014 by primary smelters alone, and recognizing that dross is being produced at all steps of aluminum production and transformation, the opportunity to deploy our DROSRITE™ technology is vast," said Pierre Carabin, PyroGenesis' Director of Engineering. "When one factors in rising electrical costs, the DROSRITE™ process provides a quick return on investment while ensuring no hazardous residue legacies which have plagued this industry for years."

"DROSRITE™ successfully addresses a serious need within the aluminum industry, and underscores the success of our strategic plan to target high value niche problems," said P. Peter Pascali, President & CEO of PyroGenesis. "The market for our patented DROSRITE™ process is in the hundreds of units, representing over \$300 million in potential demand from primary aluminum plants alone. This does not include any revenues arising from secondary and tertiary markets, which could easily double this number."

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). 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. 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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For further information: P. Peter Pascali, Chief Executive Officer, Phone: (514) 937-0002, E-mail: ir@pyrogenesis.com

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CNW 08:35e 20-JUL-15