

PyroGenesis Cancels Previously Announced Exclusive Asian Marketing Agreement in Favor of Exclusive License Agreement with Yasui Facilities Inc. of Japan; Contracts Underway; Testing in September

MONTREAL, June 17, 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 that it has cancelled a previously announced exclusive marketing license agreement with an unnamed Asian entity in favor of an exclusive license agreement (the "Agreement") with Yasui Facilities, Inc. ("Yasui") of Japan.

Yasui is a one of Japan's preeminent Architectural/Engineering firms who works with a consortium of companies that have, amongst other projects, built incinerators. Yasui provides the needed local engineering and permitting expertise that PyroGenesis requires to conclude various contracts under discussion.

"This Agreement with Yasui has effectively enabled us to bypass the traditional method of penetrating the Japanese market, which is usually via local trading houses," said P. Peter Pascali, President & CEO of PyroGenesis, "and as such, will allow the Company to save a substantial amount paid in middle-man fees."

The Agreement, which was reached recently, has been drafted for final legal review by both parties, and has a completion deadline of July 16, 2015. In the interim, the parties will act according to provisions provided therein and outlined in a MOU dated June 4, 2015.

The terms of this Agreement permit Yasui to exclusively market PyroGenesis' line of plasma waste processing systems in Japan for a period of five (5) years with the possibility of an automatic five (5) year renewal based on certain performance milestones. In exchange for this exclusivity, Yasui undertakes to pay all costs associated with the Japanese permitting process, which are estimated to run into the \$100,000's, and which have already commenced, and to reimburse PyroGenesis for costs incurred in developing the Japanese market. Furthermore, upon receipt of the permit, which is expected in less than one (1) year, Yasui will pay PyroGenesis a onetime exclusivity fee of \$1.5MM in one installment.

Mr. P. Peter Pascali provides additional information regarding the transaction and its impact on the Company in the following Q&A format:

When will Yasui start the permitting process, and marketing in earnest?

It has already begun. Yasui has been actively pursuing the permitting process for several weeks now. They have also been actively involved in business development with us over the past two (2) months. In fact, PyroGenesis' Business Development Officer responsible for the Asian market is currently in Japan for approximately two (2) months in support of Yasui's efforts.

What is the status of the contracts that were mentioned in previous press releases? Are they cancelled as well? Are you starting from zero?

Absolutely not. Negotiations are continuing to develop with numerous prospective clients, and the Canadian consulate is actively involved in supporting our marketing efforts in Asia. Yasui has also been involved in such efforts and their presence alone has added significant credibility to PyroGenesis in Japan.

As previously mentioned, we are discussing sales in terms of groupings of products, with each grouping being independent from one another. For instance, we are currently discussing groupings of 50 TPD waste treatment systems, hospital/lowlevel radioactive waste systems, multiple small transportable mobile systems, as well as several niche applications. We don't expect any of these contracts to close before Q4-2015 however we are highly confident that we will close something of significant value by year end.

With respect to all the different business opportunities arising from this venture, could you give us a sense of where the "low hanging fruit" is and how far into the discussions you are?

Within the specialty niche groupings, there is an opportunity to process 100 TPD of a specialty waste stream, with each 25 TPD system costing approximately \$15MM. We have been in discussions with the end-user for quite some time now and the business case has been accepted by them. The end-user is scheduled to visit Montreal this September to witness a test demonstrating the destruction of their waste stream, at which time it is expected that an order will be placed. Of note, we are currently negotiating the terms and conditions of an agreement which will reflect their commitment to purchase a number of systems from PyroGenesis upon the successful demonstration in September.

You issued two press releases, one on March 4th, 2015, and the other on April 13th, 2015. Why was there so little news, particularly given the anticipation created by the March 4th press release?

The significance of the contract, which was the subject of our March 4th press release, obliged us to disclose its details. As we mentioned subsequently, it was a legally binding contract with a credible entity; however, as events unfolded, it became abundantly clear that it would be better for all parties involved if we were to move forward with Yasui, as we have. As one may well appreciate, in the course of these discussions and negotiations it would have been compromising to press release intentions and/or expectations.

Why the change in direction from your March 4th, 2015 press release?

After careful study it became apparent to the Company that Yasui's approach to the market place, their contacts, and their expertise was more in line with PyroGenesis' needs and better reflected PyroGenesis' business strategy.

We feel that a company should not be limited by what they have previously disclosed. That is to say, if an opportunity presents itself that is better suited for the Company, as is the case with Japan, we cannot be constrained by the expectations created by our previous disclosures. We must take the time to do a full cost/benefit analysis of any new opportunity that presents itself and, at the same time, have the conviction to change course if that is what is required.

Are there any other takeaways?

As we mentioned in our Press Release dated April 13th, 2015, which is something that we cannot stress enough; the most important aspect of these recent developments, and one that PyroGenesis' Board is highly focused on, is the fact that this Agreement reflects a new reality for PyroGenesis. The Company has progressed from signing agreements for individual systems in the \$1-5MM range, to signing a multi-system contract in the \$10-15MM range last year, to now negotiating multi-system contracts in the +\$100MM range. This transition is not unexpected as it underscores the success PyroGenesis is having in executing its strategic plan to diversify away from being an environmental Company with significant exposure to the US military, to one providing unique plasma processes to niche markets.

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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