



PyroGenesis Announces Signed Contract of CDN\$8,260,000 for Sale of a 200 Metric Tonne Per Year PUREVAP™ Pilot System; Receives Over CDN\$1,000,000 Payment

MONTREAL, QUEBEC--(Marketwired – August 2, 2016) - PyroGenesis Canada Inc. (<http://pyrogenesis.com>) (TSX-V: PYR) (OTCQB: PYRNF) (the “Company” or “PyroGenesis”) that designs, develops, manufactures and commercializes plasma waste-to-energy systems and plasma torch products, announces today that it has signed a contract for CDN\$8,260,000 with HPQ Silicon Resources Inc., formally Uragold Bay Resources Inc. (the “Client” or “HPQ”), to provide a 200 metric tonne (MT) per year PUREVAP™ pilot system to produce silicon metal directly from quartz (the “Contract”). PyroGenesis has already received over CDN\$1,000,000, or more than 12% of the value of the Contract..

This Contract is for the design, fabrication, assembly, commissioning and testing of a 200 MT per year PUREVAP™ pilot system (the “System”). The design, fabrication and assembly of the System is expected to take twelve (12) to sixteen (16) months, after which time the System will undergo a commissioning phase expected to last an additional two (2) months, with a final testing period expected to last ten (10) months. The System will initially be installed at PyroGenesis’ facility in Montreal, Canada, and upon completion of the testing period, the System will be relocated to a permanent production site, to be chosen by the Client.

As part of the terms of the Contract, the Client will acquire the intellectual property rights to the PUREVAP™ process as it relates exclusively to the production of silicon metal from quartz. PyroGenesis will retain a royalty-free, exclusive, irrevocable, worldwide license to use the System for all other purposes, other than the production of silicon metal from quartz. PyroGenesis will retain all royalty payments owed by the Client under the previously disclosed development and exclusivity agreement signed with the Client for the development of the PUREVAP™ process, which payments represent 10% of the Client’s sales, with set minimums, but with royalty payments being waived for 2017.

As previously disclosed, PyroGenesis was first engaged by the Client in February 2015 to demonstrate, on a laboratory scale, that its one-step proprietary PUREVAP™ process could produce high purity silicon metal from quartz in just one step.

It was on the successful results of this testing that the present Contract with HPQ was signed.

“We are very happy to be moving to the pilot scale with this process. Throughout PyroGenesis’ history, we have successfully taken new concepts from the lab to commercialization. As we have done with the US Navy, developing the PAWDS technology from lab scale to finally being specified in the design of the new US Aircraft Carriers, and more recently, with our DROSRITE™ technology. We plan to systematically and successfully ramp up the PUREVAP™ process to full commercial scale,” said Pierre Carabin, Director of Engineering of PyroGenesis. “Once successful, we believe the PUREVAP™ process portends to be a game changing, and enabling, technology.”

“The pilot system represents a significant milestone in our relationship with HPQ and demonstrates our commitment to the advancement of the PUREVAP™ project,” said P. Peter Pascali, President and CEO of PyroGenesis. “At PyroGenesis we believe in a conservative approach to development, and we only engage projects we feel have merit as well as a high probability of success.”

About PyroGenesis Canada Inc.

PyroGenesis Canada Inc. 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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