



PYROGENESIS PROVIDES UPDATE ON FINANCING

MONTREAL, QUEBEC--(Marketwired – May 18, 2016) - PyroGenesis Canada Inc. (<http://pyrogenesis.com>) (TSX-V: PYR) (OTCQB: PYRNF), 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, provides update on its most recently announced private placement financing. On April 22, 2016, PyroGenesis announced its intention to undertake a “best-efforts” private placement offering of up to \$3,000,000 of secured subordinated convertible debentures of the Company, bearing an interest rate of 12% per annum pursuant to an agreement with Industrial Alliance Securities Inc. (the “Agent”), as sole agent and bookrunner (the “Offering”). The Offering was initially expected to close on or about April 29, 2016, subject to the approval of the TSX Venture Exchange (“TSXV”) and the satisfaction of other customary closing conditions. Due to certain market conditions and other strategic reasons including, but not limited to, those provided in this news release, the Company is delaying the closing of the Offering to on or about June 17, 2016.

Further to the initial announcement of the Offering, the Company became aware that potential investors preferred to have the benefit of the Company’s year-end results, which were subsequently released on April 29, 2016, prior to making an investment decision. Moreover, PyroGenesis also received interest from a certain Asian strategic investor to participate in the Offering, for the full amount, on essentially the same terms and conditions as the previously announced Offering. This particular strategic investor expressed initial interest in developing a more sustained relationship with PyroGenesis in one of its traditional lines of business, which the Company and its board of directors consider beneficial to the Company. The additional delays to complete the Offering are a result of further steps required to be taken by this strategic investor prior to making its investment, including engaging its own legal counsel, completing their own due diligence, certain translation requirements and other related circumstances. All costs associated with this potential investment are being borne by the investor.

The Company believes that this investment, if structured properly with this strategic investor, could help accelerate PyroGenesis’ overall strategic objectives. The Company intends to provide additional updates on the Offering, including updates regarding this strategic investor, in due course.

“PyroGenesis is comfortable with incurring the additional debt through the convertible debenture financing announced on April 22, 2016,” said P. Peter Pascali, President and CEO of PyroGenesis. “However, the Company is not willing to incur more than the said \$3MM of convertible debentures. Given the interest expressed by this particular strategic investor, we felt it would be in the best interest of the Company and its shareholders to incur certain additional and customary delays associated with this process and pursue this opportunity to its fullest. That is not to say that, at the end of the day, the transaction will be completed as there is no guarantee, despite the current outlook, that anything will materialize from our efforts”.

The Company received conditional approval from the TSXV for the Offering on May 5, 2016. The Offering remains subject to final TSXV approval, as well as the satisfaction of other customary closing conditions.

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

Disclaimer in Regards to Forward Looking Statements

Certain statements included herein, including those that express management's expectations or estimates of PyroGenesis' future performance or future events, including with respect to the completion of the Offering and an investment from a strategic investor, constitute "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic, regulatory and competitive uncertainties, contingencies and risks that could cause actual results or events to differ materially from those expressed or implied in such statements. Applicable risks and uncertainties include those identified under the heading "Risk Factors" in the Company's management discussion and analysis for the year ended December 31, 2015, available on SEDAR at www.sedar.com, and in other filings that the Company has made and may make with applicable securities authorities in the future. Investors are cautioned not to put undue reliance on forward-looking statements. The forward-looking statements contained herein reflect PyroGenesis' current views with respect to future events, and except as required by law, the Company does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events, or otherwise.

Neither the TSX Venture Exchange, its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange), nor the OTC Markets Group Inc. accepts any responsibility for the adequacy or accuracy of this press release.

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