



**PyroGenesis Provides Update on DROSRITE™ Business Line;  
Poised to be Significant Contributor in 2018.**

**MONTREAL, QUEBEC--(GlobeNewswire— February 1, 2018)** - PyroGenesis Canada Inc. (<http://pyrogenesis.com>) (TSX-V: PYR) (OTCQB: PYRNF), a high-tech corporation (the “Corporation” or “PyroGenesis”) that designs, develops, manufactures and commercializes plasma waste-to-energy systems and plasma torch products, provides herein a general update on its DROSRITE™ business line.

Mr. P. Peter Pascali, President and CEO of PyroGenesis, provides this update in the following Q&A format. The questions are for the most part derived from inquiries received from investors, analysts, and potential customers:

***Q. For those that are new to the story, could you please describe to us what DROSRITE™ is and some of its many advantages?***

A. Most certainly.

PyroGenesis' DROSRITE™ system is a salt-free, cost-effective, sustainable process for maximizing metal recovery from dross, a waste generated in the metallurgical industry. PyroGenesis' patented process avoids costly loss of metal while reducing a smelter's carbon footprint and energy consumption, thereby providing an impressive return on investment.

With metal manufacturers, such as aluminum, being subjected to increased pressure from regulatory authorities to eliminate landfilling of hazardous salt cakes from traditional recovery operations, combined with tight operating margins, PyroGenesis' DROSRITE™ system is able to (i) increase metal recovery from waste, without producing any hazardous by-products, while at the same time (ii) reducing operating costs.

In short, we are (i) salt-free, so no hazardous by-products, (ii) we can process the dross cheaper than conventional methods, and (iii) we have demonstrated higher metal recovery rates. Who could ask for more?

**Q. Given the above, the DROSRITE™ business line must be getting quite a bit of attention these days. What is happening?**

A. It certainly is. We announced last November the sale of a second commercial DROSRITE™ furnace system to a North American automobile parts manufacturer which was quite significant for three reasons. First, it was the second commercial DROSRITE™ furnace System sold to date. Second, and more importantly it was the first re-order of a DROSRITE™ system from an existing client, and last but not least, we managed to secure a higher price for the second system which was essentially a carbon copy of the first (Can \$1.02 Million vs. Can \$600,00 for the first), which underscores what we have said all along, which is that PyroGenesis' DROSRITE™ system provides significant value to end-users.

Since that time, we now have visibility on an additional 6-10 systems to be sold and delivered in 2018.

**Q. When you say “visibility” what do you mean exactly?**

A. By “visibility” I mean that we are over 90% confident that we will sign and deliver on those contracts in 2018.

Let me explain where the confidence comes from:

- 1 We are currently discussing the purchase of an additional two (2) systems with our existing client.
- 2 In the Middle East, we have demonstrated the system and are currently in the process of closing on the equivalent of three (3) systems.
- 3 Our demonstration system is currently in India on contract for paid-for-demonstrations, and if successful could result in 1-4 system orders. We are booking additional paid-for demonstrations in India as we speak.

Plus,

- 4 Our demonstration system is fully booked until September.

...and this is just coming out of the box in 2018 with no additional efforts. If you recall we announced late last year that we hired a fulltime business development Account Manager whose role is exclusively to secure DROSRITE™ system sales. He is aggressively targeting both primary aluminum smelters in Asia and the Middle East where the market is estimated to be in excess of 1 million tonnes of dross<sup>1</sup>, as well as tertiary casting producers worldwide. These two markets alone represent a potential market for DROSRITE™ systems numbering in the hundreds of units.

---

<sup>1</sup> <http://www.world-aluminium.org/statistics/primary-aluminium-production/>

**Q. What does this mean for PyroGenesis?**

A. *The answer to that question is what is newsworthy.*

*There is a high probability that PyroGenesis will be profitable in 2018 from DROSRITE™ system sales alone, and not just from a cash flow basis.*

**Q. Are you sure you want to make that claim, that PyroGenesis will be profitable in 2018? You got burnt once before doing that.**

A. *That's a valid point, but in all fairness when I did go out on a limb, that one time, and predict profitability, it was when we were manufacturing powder production systems catering to the Additive Manufacturing Industry. That all changed when we subsequently decided to get out of that business and get into powder sales which, in retrospect, was the correct choice...although it took GE's acquisition of Arcam, 1 year later, for the market to understand our strategy.*

*But your question is a good one and yes, I stand by the claim that PyroGenesis should be profitable in 2018. I am confident for a number of reasons: As you can see DROSRITE™ is laying down a firm base of orders. When you factor in the backlog of signed contracts which are expected to be accounted for as revenues in 2018 (approximately \$4MM of the \$7MM in backlog) then I think you can see how 2018 looks like it will be profitable. This is quite conservative as it does not account for any revenue contribution from either the US Military (even though it looks like an aircraft carrier will be ordered in 2018), or powder sales.*

**Q. Any challenges for the DROSRITE™ business line?**

A. *There are always challenges, it would be foolish to say it is ever clear sailing. Right now we could use a second demonstration system for sure. As we noted above, the current demonstration unit is booked to September in India/Asia. If we had a second system on hand we could start booking paid-for demonstrations in North America as well. We have had to postpone potential contracts due to this delay.*

*Rest assured we are in the process of addressing this need.*

**Q. Any closing comments?**

*A. The important take-a-way, and one that management only came to realize recently, is that the demand for PyroGenesis' DROSRITE™ system is gaining traction faster than expected. The DROSRITE™ business line's contribution to PyroGenesis is becoming more significant and as such de-risks, to some extent, the rest of the Corporation's activities.*

*2018 is shaping up to be a very exciting time for both DROSRITE™ and PyroGenesis.*

**About PyroGenesis Canada Inc.**

PyroGenesis Canada Inc. is the world leader in the design, development, manufacture and commercialization of advanced plasma processes. PyroGenesis provides technical and manufacturing expertise, cutting-edge contract research, as well as turnkey process equipment packages to the defense, metallurgical, mining, additive manufacturing (3D printing), oil & gas, and environmental industries. With a team of experienced engineers, scientists and technicians working out of our Montreal office and 3,800 m<sup>2</sup> manufacturing facility, PyroGenesis maintains its competitive advantage by remaining at the forefront of technology development and commercialization. Its core competencies allow PyroGenesis to lead the way in providing innovative plasma torches, plasma waste processes, high-temperature metallurgical processes, and technical services to the global marketplace. Its operations are ISO 9001:2008 certified, and have been ISO certified since 1997. PyroGenesis is a publicly-traded Canadian corporation on the TSX Venture Exchange (Ticker Symbol: PYR) and on the OTCQB Marketplace (Ticker Symbol: PYRNF). For more information, please visit [www.pyrogenesis.com](http://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 Corporation'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 Corporation with respect to future events and are subject to certain risks and uncertainties and other risks detailed from time-to-time in the Corporation's ongoing filings with the securities regulatory authorities, which filings can be found at [www.sedar.com](http://www.sedar.com), or at [www.otcmarkets.com](http://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 Corporation 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.*

*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 responsibility for the adequacy or accuracy of this press release.*

SOURCE PyroGenesis Canada Inc.

For further information: Rodayna Kafal, VP, Investor Relations and Strategic Business Development, Phone: (514) 937-0002, E-mail: [ir@pyrogenesis.com](mailto:ir@pyrogenesis.com) or [rkafal@pyrogenesis.com](mailto:rkafal@pyrogenesis.com)