



**PyroGenesis Announces Receipt of CAN\$531,600 Representing 3<sup>rd</sup> Progress Payment under Contract with HPQ Silicon Resources Inc.**

**MONTREAL, QUEBEC--(Marketwired - February 28, 2016) - PyroGenesis Canada Inc.** (<http://pyrogenesis.com>) (TSX-V: PYR) (OTCQB: PYRNF), a clean-tech company (the "Company" or "PyroGenesis") that designs, develops, manufactures and commercializes plasma waste-to-energy systems and plasma torch products, announces today that it has received the 3<sup>rd</sup> progress payment under its previously announced \$8.3MM contract with HPQ Silicon Resources Inc. ("HPQ") to provide a 200 metric tonne per year PUREVAP™ pilot system (the "System") to produce silicon metal directly from quartz (the "Contract"). To date, PyroGenesis has received payments in excess of CAN\$3.3MM, or more than 40% of the value of the Contract.

As previously announced on August 2<sup>nd</sup>, 2016, the Contract is for the design, fabrication, assembly, commissioning and testing of the System. We are currently in the design, fabrication and assembly phase, of which approx. \$2.0MM remains to be paid subject to certain milestones; with payments of \$520,000 due during the commissioning phase, and an additional \$2.3MM to be paid following various milestones during the testing phase.

To date, PyroGenesis has demonstrated that the System can:

- Transform low purity quartz (97.5%) to high purity silicon; thereby defying standard methods<sup>1</sup>;
- Successfully produce 4N (99.99%) silicon from low purity quartz<sup>2</sup>;
- Remove aluminum, boron, calcium and phosphorous with consistently high efficiencies, between 67 and 97%. Of particular note, boron, which negatively impacts the electrical properties of photovoltaic solar systems, is one of the most difficult impurities to remove from silicon<sup>3</sup>;
- Quantity produced per batch during testing phase increased from less than 0.1 g to 8.8 g, nearly a hundredfold increase<sup>4</sup>; and
- Reached a production of 4N+ purity Silicon Metal (99.99+% Si) using 98.14% SiO<sub>2</sub> by adding a solid purifying agent into the feedstock.<sup>5</sup>

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<sup>1</sup> See press release dated November 2, 2016 for further details.

<sup>2</sup> See press release dated November 29, 2016 for further details.

<sup>3</sup> See press release dated September 29, 2016 for further details.

<sup>4</sup> See press release dated January 26, 2017 for further details

<sup>5</sup> See HPQ press release dated January 26, 2017.

Management continues to believe that the PUREVAP™ technology will have a significant impact on the solar industry. We note that there seems to be significant commercial applications for the System, at lower purity levels, as well (i.e. above 99.9%).

“We are very satisfied with the project to date” said P. Peter Pascali, President and CEO of PyroGenesis. “This latest payment confirms HPQ’s full commitment to this project. The project, once in full production, will generate a recurring revenue stream to PyroGenesis in the form of a 10% royalty on all future silicon metal sales made by HPQ, using the PUREVAP™ technology”

Separately, the Company announces today that it has mutually agreed to terminate its previously announced investor relations agreement with FrontTier Merchant Capital Group<sup>6</sup>.

### **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 m<sup>2</sup> 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 ISO certified 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](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 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*

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<sup>6</sup> See press release dated October 28, 2016 for further details.

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 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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