



PyroGenesis Receives First Payment of \$139K Under Previously Announced Military Contract for US \$950,000 to Upgrade Company's Plasma System for the Destruction of Chemical Warfare Agents

MONTREAL, Quebec (Marketwired September 14, 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, is pleased to announce today that, further to its press release of July 25, 2016, the Company has received the first payment of \$139K under a previously announced military contract of US \$950,000 (approx. CDN\$1.25MM), wherein the Company was contracted to provide additional testing on, and further improvements to, the Company's Tactical Mobile Plasma System used for the Destruction of Chemical Warfare Agents (the "Contract"). As announced, the Company was awaiting the Client's approval before providing the details below.

PyroGenesis was first engaged by its client, a multi-national military consortium (the "Client"), to develop a first of its kind Tactical Mobile Plasma System (the "System") to be used for the destruction of Chemical Warfare Agents, such as those discovered, and being dealt with, in Syria. This System has since been completed and, subsequently, PyroGenesis was awarded, and now completed, two (2) additional contracts relating to the System. The first was to perform in-depth testing of the System at the Company's facilities in Montreal, Canada; the second was to further automate the System.

This new Contract is aimed at enhancing the System's reliability and performance, including upgrading several of its components. Once the upgrades are completed, the Company will perform specific long duration performance tests using surrogate material. During this period, PyroGenesis will also train specialized personnel to enable them to be able to perform final testing with live agents at the Client's facilities. Once the local testing and training is complete, the System will be refurbished, packaged, and sent abroad for live testing. The Client is planning to spend an additional US \$100MM during this final testing phase of PyroGenesis' System.

According to the Organization for the Prohibition of Chemical Weapons, 6,715 metric tonnes of declared chemical warfare agent ("CWA"), such as the ones used in Syria, still remain worldwide¹. Many of these stockpiles are aging and are too dangerous to transport, making PyroGenesis' Tactical Mobile Plasma System an ideal solution for this problem.

PyroGenesis has received total funding of approximately US \$2MM (including this new Contract) to develop this technology. "What was merely an idea a few years ago," said Pierre Carabin, Director of Engineering of PyroGenesis, "is now a full scale operating reality. We are looking forward to the further improvements and testing program of the System".

Work on this new Contract is expected to be completed by Q1-2017.

"This Contract is a testament to the level of confidence the military has in our experience and expertise," said P. Peter Pascali, President and CEO of PyroGenesis. "It further underscores our

¹www.opcw.org

ability to perform to military standards which is serving us well as we expand into several other fast growing business segments.”

Separately, the Company announces today that Ms. Sophy Cesar, VP, Investor Relations and Communications, will no longer be employed by the Company as at September 21, 2016.

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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