PyroGenesis Announces MOU Toward Joint Venture for Commercial Scale Fumed Silica Plant

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PyroGenesis would build commercial fumed silica reactor for USD$20 million

MONTREAL, Feb. 12, 2026 (GLOBE NEWSWIRE) -- PyroGenesis Inc. (“PyroGenesis” or “the Company”) (TSX: PYR) (OTCQX: PYRGF) (FRA: 8PY1), the leader in ultra-high temperature processes and engineering innovation, and a plasma-based technology provider to heavy industry & defense, announces today that its client HPQ Silicon Inc. (“HPQ”), through its wholly owned subsidiary, HPQ Silica Polvere Inc. (“HSPI”), and an industrial Joint Venture partner (the “JV Partner”), have signed a non-binding memorandum of understanding (the “MOU”) to form a joint venture company (the “JV”). The purpose of the JV is to operate a 1,000 tonne per year (“1000 TPY”) fumed silica production plant. PyroGenesis, under an exclusive manufacturing arrangement, would build the fumed silica reactor (FSR) for US$20.0 million (approximately CA$27.3 million). The JV Partner’s name is being withheld for competitive and confidentiality reasons at the request of the client. The financing of the system has already been secured and is to be provided by the JV Partner.

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PyroGenesis, who has been actively involved in all aspects of the negotiations of this MOU, is in the final stages of exercising its option to acquire a 50% interest in HSPI, as previously announced (press release dated May 30, 2024).

The MOU announced today, describes, amongst other elements, that:

1) The FSR will have a capacity of 1,000 tonnes per year (1000 TPY) and will cost USD $20MM.

2) The FSR will be bought by the JV and financed by the JV Partner (terms and conditions yet to be agreed upon).

3) The JV will own and operate the system with the goal of selling fumed silica at market prices.

4) A royalty will be charged by HSPI, for each kilogram of fumed silica sold by the JV (price/kg not yet agreed upon).

5) Profit-sharing distribution to the JV partners (terms and conditions to be agreed upon).

6) An implied off-take agreement between the JV Partner and the JV to justify the creation of the JV.

Next steps are dependent on the confirmation of certain chemical and compositional characteristics of the fumed silica powder produced by the existing FSR pilot plant. Fumed silica samples from the FSR have already been produced and delivered to the client and to a specialty testing laboratory in the U.S. Tests are currently underway to confirm suitability.

The formation of the JV will be contingent upon the successful negotiation and execution of one or more definitive agreements pertaining to the JV and related obligations by the parties thereto. These documents are expected to be completed and signed no later than the end of Q2 2026. It must be noted that there is no certainty that a JV will ever be formed or, if it is, that it is within the expected time frame noted above, or that once it is that it will be commercially viable.

The proposed fumed silica plant would be a commercial scale version of the current FSR pilot plant, which PyroGenesis designed, engineered, and constructed to convert quartz into fumed silica in a single and eco-friendly step, without the use of chemicals while producing no hazardous by-products. The expectation is that the plant would be delivered within 12 months of the formation of the JV. It is also expected that there would be a need for a series of additional fumed silica plants of the same or larger size.

“On-site production using our FSR plant would represent a significant development for manufacturers that rely on fumed silica,” said Mr. P. Peter Pascali, President and CEO of PyroGenesis. “Localized production at, or near, the point of use fundamentally restructures the supply chain, streamlines logistics, and secures reliable access to material that is critical to manufacturing operations. This is a quickly emerging consideration within global supply chains. This MOU is an important first step, but it must be noted that only upon successful completion of negotiations and the signing of definitive agreements by all parties will the joint venture and the production plant project(s) proceed. Negotiations with respect to these definitive agreements are ongoing, and should be completed before the end of Q2 2026.”

INDUSTRY AND MARKET CONTEXT

- Fumed silica is one of the most widely used industrial materials and can be found in thousands of consumers and industrial products, including cosmetics, toothpaste, pet litter, powdered food, milkshakes, instant coffee, pharmaceuticals, agriculture, adhesives, paints, inks, photocopy toner, sealants, fiber optic cables, thermal insulation, construction materials, and batteries, to name a few. It is often used in these products as a thickening/anti-caking agent, used to stabilize and improve the texture, consistency, and flow of the end-product.
- Fumed silica is often combined with other materials to enhance performance. For example, in tires, it is blended with carbon-black to improve wear and efficiency; in batteries, it can be blended with graphite to enhance slurry uniformity and conductivity.

- PyroGenesis was originally engaged to develop and build the FSR pilot plant for HPQ Polvere Inc., a subsidiary of HPQ Silicon Inc.
- PyroGenesis has: (i) the rights, under an existing agreement with HPQ, to convert its annual royalty rights on future production of fumed silica, into a 50% interest in HSPI (an action that is currently underway), and (ii) an exclusive arrangement to be the sole supplier of equipment relating to any commercialization of the FSR.

Image: fumed silica, produced by the fumed silica reactor.

About the Fumed Silica Reactor (FSR)

PyroGenesis is the exclusive supplier of HSPI plasma-based technology that uses quartz (SiO_2) as a raw material to produce commercial-grade fumed silica in a single and eco-friendly process while eliminating the use of harmful chemicals generated by some conventional methods. The FSR requires no additional processes to develop to prepare feedstock, and no intermediary toxic chemical-based processing. The FSR can produce fumed silica from quartz at one physical location. When compared to some multi-step, traditional processing methods, the expected benefits of our fumed silica reactor process can generally be summarized as follows:

(1) Lower capital costs
(2) Lower operating costs
(3) Reduction of CO_2 emissions
(4) Reduction in energy footprint
(5) Elimination of purchase and storage requirements for hazardous chemicals
(6) Simplified logistics/shortened production chain due to the single location, single system, single phase process, and the elimination of feedstock ingredient handling, storage, preparation/transformation, and transportation
(7) Safer production environment due to absence of dangerous, toxic, or explosive chemicals

About PyroGenesis Inc.

PyroGenesis leverages 35 years of plasma technology leadership to deliver advanced engineering solutions to energy, propulsion, destruction, process heating, emissions, and materials development challenges across heavy industry and defense. Its customers include global leaders in aluminum, aerospace, steel, iron ore, utilities, environmental services, military, and government. From its Montreal headquarters and local manufacturing facilities, PyroGenesis' engineers, scientists, and technicians drive innovation and commercialization of energy transition and ultra-high temperature technology. PyroGenesis' operations are ISO 9001:2015 and AS9100D certified, with ISO certification maintained since 1997.

PyroGenesis' shares trade on the TSX (PYR), OTCQX (PYRGF), and Frankfurt (8PY1) stock exchanges.

About HPQ Silicon

HPQ Silicon Inc. is a Quebec-based TSX Venture Exchange industrial issuer (TSX-V: HPQ) focused on innovation in advanced materials and critical process development. In partnership with its research and development partner Novacium—of which HPQ is a shareholder—the Company is advancing next-generation silicon-based anode materials (Gen3) for batteries, commercializing its ENDURA+ lithium-ion cells, and developing breakthrough clean-hydrogen and waste-to-energy technologies, for which HPQ holds exclusive North American rights.

HPQ is also pursuing proprietary technologies to become a low-cost, zero-CO_2 producer of fumed silica and high-purity silicon, with technical support from PyroGenesis Inc. Together, these initiatives position HPQ to capture growth opportunities in the energy storage, clean hydrogen, and advanced materials markets essential to achieving global net-zero goals.

For more information, please visit HPQ Silicon web site.

Cautionary and Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable securities laws. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding future events and operating performance. Forward-looking statements are necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by PyroGenesis as of the date of this release, are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ, possibly materially, from those indicated by the forward-looking statements include, but are not limited to, the risk factors identified under "Risk Factors" in PyroGenesis' latest annual information form, and in other periodic filings that it has made and may make in the future with the securities commissions or similar regulatory authorities, all of which are available under PyroGenesis' profile on SEDAR+ at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect PyroGenesis. However, such risk factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release. PyroGenesis undertakes no obligation to publicly update or revise any forward-looking statement, except as required by applicable securities laws. Neither the Toronto Stock Exchange, its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) nor the OTCQX Best Market accepts responsibility for the adequacy or accuracy of this press release.

For further information contact ir@pyrogenesis.com or visit http://www.pyrogenesis.com

A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/446d047e-d496-4f84-8028-4133ed3954d2