PyroGenesis Announces Signing with Japanese Multi-Billion Dollar Corporation to Jointly Toll with DROSRITE™

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MONTREAL, Nov. 06, 2018 (GLOBE NEWSWIRE) -- PyroGenesis Canada Inc. (http://pyrogenesis.com) (TSX-V: PYR), a TSX Venture 50® high-tech company, (the "Company", the “Corporation” or "PyroGenesis") a Company that designs, develops and manufactures plasma waste-to-energy systems and plasma torch systems, is pleased to announce today that, further to its press release dated October 25th, 2018, the Company has entered into a Memorandum of Understanding (the “Agreement”) with one of the largest Japanese trading houses (“the Partner”; together “the Parties”) which outlines the understanding of how the Parties will move forward towards a potential joint venture partnership (the “JV”) for the purpose of developing DROSRITE™ tolling services globally.

A tolling service arrangement is one in which a smelter provides dross to a third party to process either on or off-site. The Agreement envisions moving forward with test cases to provide tolling services. These test cases would serve as a basis on which to determine, if, and how, the Parties would jointly provide tolling services on a global basis.

“Before the introduction of PyroGenesis’ patented DROSRITE™ system to the marketplace, options for on-site tolling with a salt-free, high recovery rate technology were extremely limited, if not nonexistent,” said Mr. Pierre Carabin, CTO and Chief Strategist of PyroGenesis. “The advent of DROSRITE™ opens up an alternative for aluminum producers looking to maximize recovery of metal, while using a technology that is compatible with their operations, avoiding altogether the risk of salt contamination.”

The Partner is one of the largest Japanese trading houses (Revenues: > Can$5.4 billion; Profit: > Can$2.0 billion; Assets: > Can$25 billion) with more than 400 subsidiaries and affiliates worldwide, and extensive relationships with smelters globally.

“Tolling is the ultimate recurring revenue stream for our DROSRITE™ business line. Teaming up with a large multi-national corporation, who has the experience and organizational depth required to execute this strategy, will help accelerate our time to market,” said Mr. P. Peter Pascali, President and CEO of PyroGenesis. “We know of no other process that can offer the same savings as the one we are offering the aluminum industry. Of note, in a separate industry, tolling steel slag on-site is a very profitable business model which has been the foundation on which several billion dollar blue-chip industrial companies were built. We intend to introduce this business model, with our Partner, to the aluminum industry, which, of note, is recognized as the steel industry’s ‘best practice’ for managing their slag.”

The Agreement announced today envisions the Parties eventually forming a JV to provide tolling services on a global basis. In such cases, the Parties would provide tolling services using PyroGenesis’ proprietary DROSRITE™ system to process the dross and recover valuable metals for a fee. The JV would speak to the strengths of each Party; namely, PyroGenesis’ technology and operational expertise with its patented process, and the Partner’s extensive global network and administrative depth.

“Today’s industry standard dross recovery technology, the Rotary Salt Furnace (RSF), cannot be economically operated on-site. As a result, a network of off-site dross tollers formed around the world, tolling dross for many smelters at central facilities. With DROSRITE™, we have the flexibility of processing a smelter’s dross inside their plant, which comes with significant financial benefits and allows us to maximize recovery rates. As such, PyroGenesis’ DROSRITE™ tolling is a potential catalyst for disruption in today’s long-established industry of off-site aluminum dross processing,” said Mr. David D’Aoust, Sales Manager - DROSRITE™. “Total worldwide production of Aluminum dross was approximately 3,000,000 TPY in 2017[1]. PyroGenesis’ tolling system is designed to process 5,000 TPY. When combined with dross produced by zinc and copper smelters this represents a market potential of over $1 billion in recurring revenues per year assuming all dross was tolled, and may explain, in part, the interest by our Partner to toll with us.”

“This is a very significant step for both PyroGenesis and the industry and is quite timely with respect to our strategy to toll,” said Mr. P. Peter Pascali, President and CEO of PyroGenesis. “Our strategy to both sell our tolling capabilities, as well as trying to convert sales of systems into tolling opportunities, has resulted in very advanced discussions with four (4) different smelters for a total of eleven (11) systems dedicated to tolling. Without a doubt, the signing of this Agreement is timely as we can now introduce our Partner who could only accelerate these discussions, with a higher probability of success, and this is only the beginning.”

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, providing an impressive return on investment. The system has been designed to process and recover valuable metal such as aluminum, zinc and copper from dross.

Separately, PyroGenesis announces that the TSX Venture Exchange has accepted the Company’s proposal to issue 3,385,715 common shares at a price of $0.70 per share and 3,385,715 warrants, to settle outstanding debts related to accrued interest for a total amount of $2,370,000.50 on outstanding debt of the Company. Each warrant entitles the holder to buy a common share at $0.85 until April 30, 2020. For further information, please refer to the Company’s Press Release dated September 28 th, 2018.

About PyroGenesis Canada Inc.

PyroGenesis Canada Inc., a TSX Venture 50® high-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 9001:2015 certified, and have been since 1997. PyroGenesis is a publicly-traded Canadian Corporation on the TSX Venture Exchange (Ticker Symbol: PYR) and on the OTCQB Marketplace. 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 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, 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 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 OTCQB accepts responsibility for the adequacy or accuracy of this press release.

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[1] AlCircle, *Aluminium Dross Processing: A Global Review*, 2017