MONTREAL, QUEBEC--(Marketwired - Aug 2, 2016) - HPQ Silicon Resources Inc. ("HPQ Silicon") (TSX VENTURE:HPQ)(FRANKFURT:UGE)(OTC PINK:URAGD) (formerly Uragold) is pleased to announce the completion of a major Agreement with PyroGenesis Canada Inc. ("PyroGenesis") on July 29, 2016 as follows:

1. HPQ Silicon will acquire the intellectual property rights to the *PUREVAP™* process as it relates exclusively to the production of silicon metal from quartz. PyroGenesis will retain a royalty-free, exclusive, irrevocable worldwide license to use the process for purposes other than the production of silicon metal from quartz.
2. HPQ Silicon will purchase a 200 metric ton/year *PUREVAP™ Quartz Vaporization Reactor* ("*PUREVAP™ QVR*") pilot system to produce solar grade silicon metal from HPQ Silicon quartz.
3. The total Purchase Price to be paid by HPQ Silicon over the next 30 months for the *PUREVAP™ QVR* Pilot Plant and related Intellectual Property is CDN$8,260,000. HPQ Silicon has already paid over CDN$1,000,000, or approximately 12% of the value of the agreement. An additional CDN$300,000 will be paid through the immediate issuance of 1,363,636 Common shares of HPQ Silicon to PyroGenesis (subject to standard regulatory approval) and an additional CDN$190,000 was paid through a one million Units subscription made by HPQ Silicon in PyroGenesis latest private placement.

UNIFICATION OF TECHNOLOGY AND RESOURCES DRIVEN BY INDUSTRY FEEDBACK

On June 29, 2016, Lab scale testing demonstrated the ability of the PUREVAP™ process to produce high purity silicon metal greater than 99.9% (>3N) in just one step, using quartz from HPQ Silicon properties.

Upon achieving this milestone, it became clear to HPQ Silicon from discussions with industry professionals and government officials that unification of the PUREVAP™ Intellectual Property with the feedstock quartz under one corporate umbrella was necessary for future commercial and financing purposes.

Bernard J. Tourillon, Chairman and CEO of HPQ Silicon stated *"Today marks a major milestone for HPQ Silicon and its shareholders. By unifying this fantastic technology under our brand and successfully scaling it up, we can accelerate our plan of becoming the cleanest, greenest and lowest cost vertically integrated producer of Solar Grade Silicon Metal in the world. Thanks to our great working relationship with PyroGenesis, combined with our ownership of the PUREVAP™ QVR intellectual property, HPQ Silicon is uniquely positioned to become an agent of change in the Solar Industry and beyond"*.

With unification now having been completed, validating the scalability of the process becomes the next and most important priority of both HPQ Silicon and PyroGenesis. To this end, Pierre Carabin, Director of Engineering of PyroGenesis stated:

"We are very happy to be moving to the pilot scale with this process. Throughout PyroGenesis' history, we have successfully taken new concepts from the lab to commercialization. As we have done with the US Navy, developing the PAWDS technology from lab scale to finally being specified in the design of the new US Aircraft Carriers, and more recently, with our Drosrite technology. We plan to systematically and successfully ramp up the PUREVAP™ process to full commercial scale. Once successful, we believe the PUREVAP™ process portends to be a game changing, and enabling, technology."

FURTHER DETAILS PERTAINING TO PILOT PLANT

This agreement is for the design, fabrication, assembly, commissioning and testing of a 200 metric ton/year *PUREVAP™ QVR* pilot plant. The design, fabrication and assembly period for the pilot plant is expected to take 12 to 16 months, after which the pilot plant will undergo a commissioning phase expected to last an additional 2 months, with a final testing period expected to last 10 months. The pilot plant will initially be installed at PyroGenesis' facility in Montreal, Canada, and upon completion of the testing period, the pilot plant will be relocated to a permanent production site, chosen by HPQ Silicon.

"The pilot system represents a significant milestone in our relationship with HPQ Silicon and demonstrates our commitment to the advancement of the PUREVAP™ project," said P. Peter Pascali, President and CEO of PyroGenesis. "*At PyroGenesis we believe in a conservative approach to development, and we only engage projects we feel have merit as well as a high probability of success."*

FURTHER DETAILS PERTAINING TO ACQUISITION OF INTELLECTUAL PROPERTY

PyroGenesis will retain a royalty-free, exclusive, irrevocable worldwide license to use the process for purposes other than the production of silicon metal from quartz. Should PyroGenesis develop any other such application, HPQ Silicon shall have a right of first refusal in the event of any sale or otherwise disposal. PyroGenesis will retain all royalty payments owed by HPQ Silicon under the previously disclosed development and exclusivity agreement for the development of the PUREVAP™ process, payments of which represent 10% of HPQ Silicon metal sales, with set minimums, but with royalty payments being waived for 2017.

A MANAGEABLE FINANCIAL COMMITMENT OVER THE NEXT 30 MONTHS

Total Purchase Price CDN$8,260,000 is divided as follow:

- CDN$1,000,000 for the purchase of the related Intellectual Property;
- CDN$4,430,000 for the design, fabrication, assembly, cold commissioning and testing;
- CDN$520,000 for the hot commissioning of the pilot system; and
- CDN$2,310,000 for testing and operating the pilot system during 10 months.

In addition to having sufficient liquidity, thanks to ongoing warrant exercise, as well as having made a $CDN1 Million payment to PyroGenesis, HPQ Silicon management deems the cash calls associated with the agreement a manageable risk for the following reasons:

- The signature of the agreement and the stage of work with Pyrogenesis now render the project eligible for government funding programs (Provincial and Federal) that could cover up to 80% of the cost associated with the Pilot Plant.
- Over CDN$5,000,000 worth of warrants are in the money, a majority of which controlled by Insiders and key investors,
    - With regards to this, investors are advised that Insiders may decide to exercise warrants over the next 30 months to mee cash call needs related to this project.
- Availability of previously announced convertible debt financing of CDN$1,750,000;
- The acquisition of *PUREVAP™* Intellectual property opens up additional options for financing as many investors have demonstrated a reluctance to invest in the Company while it did not have direct control over the key intellectual property supporting its business plan.

PROJECTED CASH CALL FOR THE REMAINDER OF 2016 OF CDN$3,393,600

The CDN$1,000,000 the purchase of the related Intellectual Property has already been completed.

Of the remaining CDN$2,393,600, CDN$300,000 will be paid through the immediate issuance of 1,363,636 common shares of HPQ Silicon to PyroGenesis (subject to standard regulatory approval). An additional CDN$190,000 was paid through 1,000,000 Units subscription made by HPQ Silicon in PyroGenesis latest private placement.

As such, the balance of payments to PyroGenesis for the remainder of 2016 is just CDN$1,900,000.

The projected cash call for 2017 is projected at CDN$2,296,000. The projected cash call for 2018 is projected at CDN$2,570,000

About *HPQ Silicon*

HPQ Silicon Resources Inc. (Formally Uragold Bay Resources) is a TSX-V listed junior exploration company planning to become a vertically integrated and diversified High Value Specialty Materials Company. Our Business model is focused on developing unique projects that can generate high yield returns and significant free cash flow within a short time line.

High Value Specialty Materials

In September 2015, PyroGenesis announced that it had filed for a provisional patent for the PUREVAP™ Quartz Vaporization Reactor (QVR) process, which it noted was able to produce silicon, at a lower cost, while generating less CO_2 emissions than current processes.

On April 19, 2016, PyroGenesis announced that early test results of the PUREVAP™ QVR process have demonstrated that it can transform high purity quartz into silicon metal. The PUREVAP™ QVR validation program his now in its second stage whereby the operational parameters of the reactor are adjusted in order to achieve the transformation of *HPQ Silicon* Quartz into Solar Grade Purity Si.

On June 29, 2016, HPQ Silicon announced that first pass analytical process confirms the ability of the *PUREVAP™* process to create high purity silicon metal exceeding 99.9% and that samples are to be sent to a specialized laboratory in the United States to determine the precise purity levels of the Silicon Metal.

HPQ Silicon, with its worldwide exclusive usage of PyroGenesis' *PUREVAP™ QVR,* is endeavouring to become a vertically integrated Silicon Metal (98.5% Si), High Purity Silicon Metal (99.99% Si), Solar Grade Silicon Metal (6N Purity / 99.9999% Si) and/or Higher (9N Purity / 99.9999999% Si) producer.

The *PUREVAP™ QVR process's big* advantage is its one step direct transformation of Quartz into High Purity Silicon Metal Solar Grade Silicon Metal and/or Higher Purity product, thereby potentially allowing Uragold to manufacture high value material for the same operating cost presently being paid by traditional producers to make Metallurgical Grade Si (98.5% Si) using the traditional arc furnace approach.

The Science Behind PyroGenesis PUREVAP™ QVR Process Is Solid:

- *Plasma arc based process can and has transformed High Purity Quartz into Mg Si.*
- *Plasma arc based process can and is being used to purify Mg Si into higher value materials such as Sg Si.*
- *Finally, refining Mg Si using an electron-beam furnace in a high vacuum-processing environment has proven the concept of the elimination of elements whose vapor pressures are higher than that of silicon.*

What is unique and ground breaking is the combination of these three proven processes into one step.

A Green And Clean Company

HPQ Silicon Uragold, with its worldwide exclusive usage of PyroGenesis' *PUREVAP™ QVR* will also be implementing a process to make Sg Si, which is estimated to generate 14.1 kg CO2 eq/Kg SG Si, versus the 54.0 kg CO2 eq/Kg SG Si of emissions generated by the Siemens process (90% of the present production process). This represents 75% fewer greenhouse gas emissions, which is justified by elimination of the emissions emanating from the use of chemicals, as well as, energy consumption from the additional purification step.

High Purity Quartz Properties

HPQ Silicon is also the largest holder of High Purity Quartz properties in Quebec, with over 3,500 Ha under claims. Despite the abundance of quartz, very few deposits are suitable for high purity applications. High Purity Quartz supplies are tightening, prices are rising, and exponential growth is forecast. Quartz from the Roncevaux property successfully passed rigorous testing protocols o a major silicon metal producer confirming that our material is highly suited for their silicon metal production.

Disclaimers:

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 on-going filings with the securities regulatory authorities, which filings can be found at www.sedar.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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Shares outstanding: 137,979,194

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