

PyroGenesis Announces that it has Received First Down Payment of \$440,000 of a \$12.5MM Contract for the Sale of Powder Production Systems for 3D Printing with an International Large-Scale Manufacturer; Construction of First Unit is Under Way and on Schedule

MONTREAL, Aug. 25, 2014 /CNW Telbec/ - PyroGenesis Canada Inc. (<http://pyrogenesis.com>) (TSX: PYR), a TSX Venture 50® plasma solutions company that designs, develops and manufactures plasma waste-to-energy systems and plasma torch systems, announced today that it has received the first down payment of \$440,000 of the previously announced \$12.5 MM contract with a major Asian based international manufacturer (the 'Customer'). The contract is for ten plasma-based, powder production systems for 3D printing all of which are to be delivered over the next 18 months. The construction of the first unit is under way and the project is on schedule. No working capital is required as the project is cash flow positive throughout the schedule. The Customer's name is being withheld for competitive reasons.

As previously disclosed, one of the limiting factors in the full commercialization of 3D printing for metal products is the availability of high-quality, high-purity metal powder, and PyroGenesis' patented platform can produce these powders effortlessly.

"PyroGenesis is capable of producing very small, uniform, spherical powders from a wire using a unique patented plasma process" said P. Peter Pascali, President and Chief Executive Officer of PyroGenesis Canada Inc. "powders with such characteristics are in high demand within the 3D printing industry as there is a need in their processes for powders that "flow like water". Our powders flow like water and there is a severe lack of quality powders such as the type we can make".

The customer is looking to PyroGenesis and its plasma-based technology to ensure a strategic and continuous supply of metal powder feedstock for their own internal 3D printing production use.

"This contract highlights the success PyroGenesis is having with the focused business development strategy implemented last year; the effects of which we are only now beginning to see," noted Mr. Pascali, "we only began introducing our 3D capability into our product mix last October and in less than a year we have closed a \$12.5MM contract for 10 systems. We believe this is only the tip of the potential for PyroGenesis plasma processes within the 3D printing industry as we have in less than 1 year identified over 50 other potential sales of the same product line within the 3D printing market. This once again underscores the success PyroGenesis is having in deploying its core plasma technology to niche, high-margin applications."

According to *World 3D Printing (Additive Manufacturing)*, a report issued by the Freedonia Group in December 2013, world demand for 3D printers, materials and software will rise 21 percent yearly to US\$5 billion in 2017. This report also highlights faster growth projections for metals, as well as rapid gains in markets such as aerospace.

About PyroGenesis Canada Inc.

PyroGenesis Canada, a TSX Venture 50® company, is the world leader in the design, development, manufacturing 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, oil & gas, and environmental industries. With a team of experienced PyroClass™ engineers, scientists and technicians working out of our Montreal office and our 3,800 m² production 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.V). 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. 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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