

## PyroGenesis Announces Signing of an Exclusive Marketing License Agreement for \$500,000 Plus Commitment for Six (6) 50 TPD Waste Treatment Systems Totaling Over \$120 million

MONTREAL, March 4, 2015 /CNW Telbec/ - **PyroGenesis Canada Inc.** (<http://pyrogenesis.com>) (TSXV: PYR.V), a TSX Venture 50® clean-tech company (the "Company" or "PyroGenesis") that designs, develops, manufactures and commercializes plasma waste-to-energy systems and plasma torch products, announced today that it has signed an exclusive marketing license agreement (the "License") with a large Asian clean-tech project developer with whom the company has been working closely with for over 3 years (the "Licensee"). The terms of the License allow the Licensee to market PyroGenesis' line of plasma waste processing systems in the Licensee's country of origin for a period of five (5) years with an automatic five (5) year renewal based on certain performance milestones. The name of the Licensee and the country wherein exclusivity is given will remain confidential for competitive reasons; however, for clarity, Management notes that the country in question is highly industrialized, and that it is not China.

"We have been working with this Licensee on a non-exclusive basis for several years now, during which time they have been aggressively promoting our product lines, particularly our environmental offerings," said P. Peter Pascali, President and CEO of PyroGenesis. "We were asked by the Licensee last fall to attend and support a large business development effort, which we did, and this was the culmination of many years of strategic marketing. PyroGenesis has been highly focused over the past several months to conclude the transaction which we announced today; it is truly a watershed moment for the Company."

The original draft of this License called for the payment of \$1.5MM paid over two months in consideration of the right to exclusivity. This was recently changed by the Licensee to: i) a non-refundable payment of \$250,000 over the next two (2) weeks; and ii) a further payment of \$250,000 within six (6) weeks, together with a signed order for six (6) 50 TPD waste treatment systems (the "Systems"). These Systems, wherein PyroGenesis uses high-temperature and highly-reactive plasma to destroy a wide range of municipal, hazardous, biomedical and other high-value wastes, often to recover both energy and other useful by-products, typically sell for \$20-30 MM, each depending on the features requested (such as energy recover for example) and/or the waste stream being processed.

Mr. P. Peter Pascali provides information about the transaction and its impact on the Company in the following Q&A format:

How is it that we have never heard of this opportunity before now?

*We at PyroGenesis are extremely sensitive to not raise expectations unduly. We are currently involved in several very interesting business development strategies, this being one of them, but given the nature of business development, its propensity for being high risk, and the possibility of frequent delays, we have taken the more conservative approach to make an announcement only once we are highly confident in the underlying news.*

The first payment of \$250,000 is non-refundable; does that mean that if the second payment is not made and/or the signed order not received, that the first payment is kept by PyroGenesis and there is no exclusivity provided?

*Yes, that is correct. This is the very reason why we felt it necessary to press release now. We are highly confident that the terms will be met by our customer and given that others outside PyroGenesis' control are cognizant of the details of the arrangement, we felt it prudent to announce the transaction at this time.*

Are there any other sales being discussed with this Licensee?

*Yes indeed there are. We are discussing sales in terms of "groupings" of products. For instance, the announcement today envisions the purchase of a grouping of six (6) 50 TPD waste treatment systems however we are currently in discussions for further sales of two other groupings: one consisting of hospital/low level radioactive waste with a value of approximately \$30MM and a second for 64 small transportable mobile systems totalling over \$107MM. We don't expect either of these contracts to close before Q4-2015 however we are highly confident that both will close in some form.*

Why not disclose the Licensee's name or country of origin?

*As you may have noticed from our previous press releases, we seldom release our clients' or customer's particulars. A notable exception is the work we do on behalf of the U.S. Navy, where we have been specified in the design of the new aircraft carriers with that design being frozen for the foreseeable future. We view our clients' and customers' particulars as being a valuable part of our "know-how"; our business development know-how, but our know-how nevertheless. We see no business value in disclosing this information. In fact, we believe we are protecting shareholder value by not disclosing who our clients and customers are until we have created serious barriers to entry within that industry. We take great efforts to ensure the public is aware that in all our major lines of effort we are dealing with "major players".*

Is PyroGenesis product-line focused?

*Yes, PyroGenesis is extremely focused. We provide plasma based systems, and plasma based systems alone, to niche markets. If we were selling tires we would be selling them to bikes, cars, trucks and buses; we would not be involved in braking systems, upholstery or exhaust systems – we would only be selling tires. Similarly, we sell plasma based systems and nothing else, thereby remaining extremely focused on our product-lines.*

Do you have the manufacturing capacity to complete these orders?

*We would be remiss if we lead you to believe that everything is in place to handle the contract announced today, or the additional business under discussion; nor should it be under the circumstances. The Company is currently reviewing all options including acquiring manufacturing capabilities to efficiently carry out these orders.*

*Separately, PyroGenesis has ensured that the License being negotiated allows it ample time to rollout these systems. Of note is that the six (6) Systems are essentially all the same design, which puts significantly less pressure on execution.*

Is there an R&D component associated with these six (6) 50 TPD Systems?

*We do not have a 50 TPD system that we can point to as an example of a working system but the Company's governing principles and techniques were proven out in the 10 TPD municipal waste processing system developed, and accepted by, the U.S. Special Forces. A system with a 50 TPD capacity is well within PyroGenesis' comfort zone. In fact, with certain caveats, PyroGenesis is comfortable in manufacturing systems up to 100 TPD.*

Besides manufacturing capabilities, do you foresee any other challenges with executing these orders?

*In the past, PyroGenesis structured all of its transactions on a cash flow positive basis out of necessity however the Company has reached a point in its development where it can significantly increase revenues by entering into, and financing, letters of credit. This transaction has highlighted the need to master such a financing strategy, which is both common and readily available in the marketplace.*

"We are extremely excited about the prospects this transaction brings with it," said P. Peter Pascali, "but we remain cautious. We remain cognizant of the fact that we are not yet cash flow positive and that cash management is still critical to the Company. However, this transaction underscores the success we are having in executing our strategic plan to diversify away from being an environmental Company with significant exposure to the US military, to one providing unique plasma processes to niche markets."

### About PyroGenesis Canada Inc.

PyroGenesis Canada, a TSX Venture 50® clean-tech 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 (including 3D printing), 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](http://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](http://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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