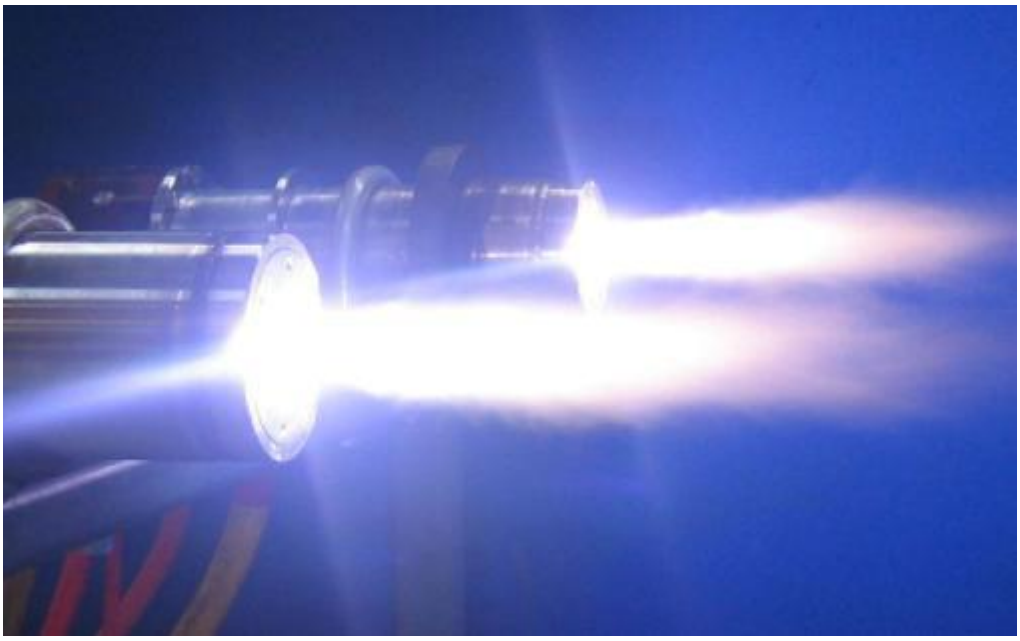
PYROGENESIS

ENERGY FROM INNOVATION



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 26, 2014

Dated May 30, 2014

PYROGENESIS CANADA INC. NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of PYROGENESIS CANADA INC. (the "**Corporation**") will be held at the University Club, 2047 Mansfield Street Montreal, Québec, H3A 1Y7 at 9:00 A.M. EST, on June 26, 2014 for the following purposes:

(a) to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2013, together with the report of the auditors thereon;

(b) to appoint MNP LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

(c) to elect the directors for the Corporation for the ensuing year;

(d) to consider and, if deemed appropriate, to pass an ordinary resolution to reapprove the stock option plan implemented by the Corporation in June 2011 in which 10% of the issued Common Shares of the Corporation are reserved for issuance to directors, officers, employees and other service providers of the Corporation; and

(e) to transact such other business as may properly be brought before the Meeting.

Accompanying this Notice of Meeting is the Management Information Circular (the "**Information Circular**") and a form of proxy (the "**Proxy**"). The Information Circular includes more detailed information relating to the matters to be addressed at the Meeting. The Information Circular is deemed to form a part of this Notice of Meeting.

Shareholders of the Corporation unable to attend the Meeting in person should read the notes to the Proxy and complete and return the Proxy to the Corporation's registrar and transfer agent, CST Trust Company, 320 Bay Street B1 Level Toronto, ON M5H 4A6 or by e-mail to proxy@canstockta.com . A proxy will not be valid unless it is deposited at the office of CST Trust Company not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the chair of the Meeting in his discretion, and the chair is under no obligation to accept or reject any particular late proxy. If you are a non-registered shareholder of the Corporation and received these materials through your broker or another intermediary, please complete and return the Proxy or other voting form in accordance with instructions provided to you by your broker or such other intermediary.

The enclosed Proxy appoints nominees of management as proxyholder and you may amend the Proxy, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the Meeting.

Only holders of Common Shares of the Corporation of record at the close of business on will be entitled to vote at the Meeting.

DATED this 30th day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS OF PYROGENESIS CANADA INC.

(signed) "Alan Curleigh

Alan Curleigh
Chair

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GENERAL INFORMATION RESPECTING THE MEETING

Time, Date and Place

The annual and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of PYROGENESIS CANADA INC. (the "**Corporation**" or "**PCI**") will be held at the University Club, 2047 Mansfield Street Montreal, Quebec, H3A 1Y7 at 9:00 A.M. EST,. on June 26, 2014, as set forth in the Notice of Meeting.

Matters to be Considered

At the Meeting, Shareholders will be asked:

(a) to receive and consider the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2013, together with the report of the auditors thereon;

(b) to appoint MNP LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration (the "**Auditors Appointment Resolution**");

(c) to elect the directors for the Corporation for the ensuing year (the "**Election of Directors Resolution**");

(d) to consider and, if deemed appropriate, to pass an ordinary resolution to reapprove the stock option plan (the "**Option Plan**") implemented by the Corporation in June 2011 in which 10% of the issued Common Shares of the Corporation (the "**Common Shares**") are reserved for issuance to directors, officers, employees and other service providers of the Corporation (the "**Option Plan Resolution**"); and

(e) to transact such other business as may properly be brought before the Meeting.

The Board of Directors (the "**Board**") unanimously recommends that Shareholders vote **FOR** the Auditors Appointment Resolution, the Election of Directors Resolution and the Option Plan Resolution at the Meeting.

Unless otherwise stated, the information contained in this management information circular (the "**Information Circular**") is as of May 30, 2014.

Currency

In this Circular, unless otherwise indicated, all dollar amounts "$" are expressed in Canadian dollars and references to "US$" are to United States dollars.

Quorum and Votes Required for Certain Matters

A quorum for the Meeting shall be one Shareholder present in person or represented by proxy representing a minimum of 5% of the issued and outstanding voting shares of the Corporation. The Auditors Appointment Resolution, the Election of Directors Resolution and the Option Plan Resolution require the affirmative vote of not less than a majority of the votes cast by Shareholders who vote in respect thereof, in person or by proxy, at the Meeting (an "**Ordinary Resolution**").

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation by management of PCI of proxies to be used at the Meeting of Shareholders of Common Shares to be held on June 26, 2014 for the purposes set forth above and in the enclosed notice of meeting. References in this Information Circular to the Meeting include any adjournment or adjournments thereof. It is

expected that the solicitation will be primarily by mail but proxies may also be solicited personally by directors, officers or regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.

Voting In Person at the Meeting

Registered Shareholders, who are Shareholders of the Corporation as at the May 27, 2014 (the "**Record Date**"), will appear on a list of Shareholders prepared by the registrar and transfer agent, Canadian Stock Transfer Company Inc., entitled to vote his or her Common Shares on all matters proposed to come before the Meeting, except to the extent that such holder has transferred any such Common Shares after the Record Date and the transferee of such Common Shares establishes ownership thereof and makes a written demand, not later than ten (10) days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting. To vote in person at the Meeting, each registered Shareholder will be required to register for the Meeting by identifying themselves at the registration desk. Also see the section entitled "Voting by Non-Registered Shareholders".

Voting of Proxies

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and that, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction Common Shares will be voted FOR each of such matters**. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. If, however, any such amendments or other matters properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such amendments or other matters in accordance with their best judgment.

Appointment of Proxyholders

Enclosed with this Information Circular is a form of proxy for use at the Meeting. The persons named in the enclosed form of proxy are officers or directors of the Corporation. If a registered Shareholder cannot attend the Meeting but wishes to vote on the resolutions, the registered Shareholder should sign, date and deliver the enclosed form of proxy to the Corporation's registrar and transfer agent, Canadian Stock Transfer Company Inc. (CST) as administrative agent for CIBC Mellon Trust Company (CIBC Mellon), 320 Bay Street B1 Level Toronto, ON M5H 4A6 or by e-mail to proxy@canstockta.com **. A Shareholder may appoint a person or company (who need not be a Shareholder) to represent the Shareholder at the Meeting other than the person or company, if any designated in the form of proxy to represent them at the Meeting or any adjournment thereof by striking out the printed name of such person or company and inserting such other person or company's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent indicated on the enclosed envelope not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the chair of the Meeting in his discretion, and the chair is under no obligation to accept or reject any particular late proxy.**

A registered Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the registered Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the

form of proxy submitted by a registered Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a registered Shareholder or a registered Shareholder's attorney duly authorized in writing or, if the registered Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A Shareholder may revoke a proxy given pursuant to this solicitation by an instrument in writing, including another proxy bearing a later date, executed by the Shareholder or by its attorney authorized in writing, and deposited either at the Corporation's registrar and transfer agent, CST, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the chairman of such Meeting on the day of the Meeting, or in any other manner permitted by law.

Voting by Non-Registered Shareholders

Only registered Shareholders or duly appointed proxyholders are permitted to attend and vote at the Meeting. Many Shareholders are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (a "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.,"**CDS**") of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - Communication With Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators (the "**CSA**"), the Corporation has distributed copies of the notice of meeting, this Information Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Frequently, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

(a) be provided with a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the enclosed form of proxy and **deposit it with the Corporation's transfer agent as provided above**; or

(b) more typically, be provided with a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (or as an alternative, votes may often be registered by telephone or over the Internet), will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label

containing a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary or its service company, including those regarding when and where the proxy or voting instruction form is to be delivered.**

Voting of Common Shares Represented by Management Proxies

On any ballot that may be called for at the Meeting, the Common Shares represented by each properly executed proxy in favour of the persons designated in the enclosed form of proxy received by the Corporation will, subject to Section 148 of the *Canadian Business Corporations Ac*t (the "**CBCA**"), be voted or withheld from voting in accordance with the specifications given by the Shareholder. In the absence of such specifications in an enclosed form of proxy where the Shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the Shareholder's nominee at the Meeting, the Common Shares represented by such proxies will be voted **FOR** (a) the Auditors Appointment Resolution; (b) the Election of Directors Resolution; and (c) the Option Plan Resolution.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and any other matters which may properly come before the Meeting. Management knows of no such amendments or variations to matters identified in the notice of meeting or other matters to come before the Meeting. However, where a Shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the Shareholder's nominee at the Meeting, if any amendments or variations to matters identified in the notice of meeting or other matters which are not now known to management should properly come before the Meeting, the enclosed form of proxy may be voted on such matters in accordance with the best judgment of the person voting the proxy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting. Directors and executive officers of the Corporation have an interest in the Option Plan Resolution as such persons are eligible to be and have been granted awards under the Option Plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value (the "Common Shares"), with the right to:

(a) vote at any meeting of Shareholders;

(b) receive, as and when declared by the directors of the Corporation, any dividends payable on such dates, for such amounts and at such place or places as the Board of Directors may from time to time determine; and

(c) receive the remaining property of the Corporation on liquidation or dissolution.

As of the date hereof, there are 80,511,015 Common Shares issued and outstanding.

The Corporation has prepared a list of all persons who are registered holders of Common Shares on the Record Date and the number of Common Shares registered in their name on that date. Each Shareholder is entitled to one vote on all matters to be acted upon at the Meeting for each Common Share registered in his name as it appears on the list of registered Shareholders. At the close of business on the Record Date there were 80,511,015 Common Shares outstanding. Shareholders of record at the close of business on the Record Date are entitled to receive notice of, and to vote at, the Meeting.

Other than as disclosed in the table below, to the knowledge of the directors and officers of the Corporation, as of the date hereof, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the votes attached to all outstanding Common Shares of the Corporation.

Name of Shareholder	Number of Common Shares[(1)(2)]	Percentage of Common Shares
P. Peter Pascali Jr.[(3)]	30,807,922	38.3%
Peter P. Pascali Sr. [(4)]	24,615,795	30.6%

Notes:
(1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information.
(2) On a non-diluted basis.
(3) 2,786,505 Common Shares are beneficially owned by Fiducie de Crédit Mellon Trust of which Mr. Pascali Jr. is a trustee and beneficiary and 28,021,417 Common Shares are owned by Mr. Pascali Jr. Please see "*Particulars of Matters To Be Acted Upon By Shareholders at the Meeting – Election of Directors*."
(4) 10,441,524 Common Shares are beneficially owned by Phoenix haute technology Inc. a company wholly-owned by Mr. Pascali Sr. and 14,174,271 Common Shares are owned by Mr. Pascali Sr.

PARTICULARS OF MATTERS TO BE ACTED UPON BY SHAREHOLDERS AT THE MEETING

Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the financial year ended December 31, 2013, and report of the auditors thereon, have been approved by the Board and will be presented at the Meeting. No vote of the Shareholders is required with respect to this item of business.

Appointment of Auditors

MNP LLP ("MNP") are the independent registered certified auditors of the Corporation. Management proposes that MNP be appointed as auditors of the Corporation, to hold office until the next annual meeting of Shareholders or until a successor is appointed and authorize the Board to fix the remuneration of the auditors.

Unless the Shareholder has specifically instructed in the accompanying form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the re-appointment of MNP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board of Directors to fix the remuneration of the auditors.

Election of Directors

The articles of the Corporation provide that the Board of Directors of the Corporation consists of a minimum of three (3) and a maximum of fifteen (15) directors. At the Meeting, the five (5) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the person named in the accompanying proxy to vote the proxy for the election of any other person or person in place of any nominee or nominees unable to serve.

The Board of Directors unanimously recommends that Shareholders vote **FOR** the Election of Directors Resolution.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld from voting, the person named in the accompanying proxy will vote FOR the election of the below named directors.

The following table and the notes thereto state the names and the province or state, and country of residence of all persons proposed to be nominated for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employments and abbreviated biographies, their periods of service as directors of the Corporation and the number of Common Shares beneficially owned or over which control or direction is exercised by each of them as at the date hereof. If elected, each director will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless prior thereto the director resigns or the director's office becomes vacant by reason of death or other cause.

Name and Province or State, and Country of Residence of Each Proposed Director	Principal Occupation over the Last Five Years	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised[(2)(3)]
P. Peter Pascali Jr., QC, Canada, Director [(4)]	President and Chief Executive Officer of PCI since June 2006.	June 2006	30,807,922 Common Shares
Alan Curleigh, QC, Canada, Director[(1) (5)]	Chair of the Board of PCI; Chair of the Audit Committee of the Department of Veterans Affairs and corporate director; Previously Chair of the Canadian Commercial Corporation.	August 2010	30,500 Common Shares
Aline Bélanger, QC, Canada, Director [(1)]	Corporate director. Chief Financial Officer of Cycle Capital Management from 2011 to 2013; Interim Chief Financial Officer of iPerceptions Inc. in 2010; President and Interim Chief Executive Officer of enGlobe Corp in 2008.	June 2011	12,500 Common Shares
Robert Radin, Virginia, USA, Director [(1)]	President of Radin & Associates Consulting, LLC since 2011; U.S. Army Assistant Deputy Chief of Staff, G-4 from 2009 to 2011; Commanding General of the U.S. Army Sustainment Command from 2007 to 2009.	February 2012	nil
Christopher Twigge-Molecey, ON, Canada	Senior Advisor at Hatch Ltd. Current; Board Member, Hatch Ltd. 2007-2012; President Canadian Institue of Mining, Metallurgy and Petroleum 2010 to 2011; Board Member Canadian Mining Innovation Council.	February 2013	nil

Notes:
(1) Member of the Audit Committee of the Corporation ("**Audit Committee**"). Ms. Aline Bélanger is the Chair of the Audit Committee.

(2) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been furnished by the respective individuals.
(3) Particulars of options held by each nominee, if any, are set out in the section "*Executive Compensation – Incentive Plan Awards*" and "*Executive Compensation - Director Compensation – Incentive Plan Awards*".
(4) Mr. Pascali Jr. holds 843,750 share purchase warrants, which are exercisable at $1.20 until March 29th 2015; 715,000 which are exercisable at $0.55 until December 20, 2015 and 583,333 which are exercisable at $0.85 until November 22, 2015.
(5) Mr. Curleigh holds 18,000 Common Share purchase warrants, which are exercisable at $1.20 until March 29th 2015.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 30,850,922 Common Shares, representing approximately 38.32**%** of the issued and outstanding Common Shares as of the date hereof.

Biographies

The following is a brief description of the current and proposed directors of the Corporation:

P. Peter Pascali Jr. – President, Chief Executive Officer and Director:

After graduating with an MBA from McGill University, Montreal in 1983, Mr. Pascali Jr. became an investment banker specializing in mergers and acquisitions and then public offerings. He initially worked for the Bank of Nova Scotia and then, in 1987, joined Westpac Banking Corporation. In 1989, he was recruited by DeGeorge Financial Corporation as a strategic advisor. Mr. Pascali Jr. joined the Corporation in 1992 where he has been responsible for developing the business strategy and marketing focus for commercializing the Corporation's technologies and running the business. Mr. Pascali Jr. continues to develop the Corporation's strategy and oversee the operational management as the President and Chief Executive Officer.

Alan Curleigh – Acting Chief Financial Officer, Chair of the Board and Director:

Mr. Curleigh served as the Chair of the Board of the Canadian Commercial Corporation for seven years until November, 2009. During this term, he, together with ten board colleagues, oversaw the affairs of this federal Crown Corporation. Mr. Curleigh has just completed his six year appointment as Chair of the Departmental Audit Committee (DAC) for the Department of Veterans Affairs Canada. Mr. Curleigh is also the strategic advisor to the CEO of Northstar Trade Finance Inc., a Canadian financial institution engaged in the financing of Canadian export transactions. Mr. Curleigh has spent many years as a senior executive and board member of a major Canadian engineering contracting firm and has participated in representing Canadian exporter interests in Canada's evolving international trade agenda which led to his engagement as a board member and then chair of one of Canada's leading manufacturing and international trade advocacy groups. Mr. Curleigh has also sat on the steering committee of the Public Enterprise Governance Centre in Ottawa and has been a member of the Advisory Board of the Business Faculty of the University of New Brunswick, his alma mater, and is a visiting faculty member at the Directors College, a corporate governance institution established through the collaboration of the Conference Board of Canada and McMaster University. Mr. Curleigh obtained a Bachelor of Business Administration from the University of New Brunswick in 1966.

Aline Bélanger - Director:

Ms. Bélanger has held different management positions with privately and publicly held companies. In the past, she was Chief Financial Officer on an interim basis for iPerceptions Inc. in 2010 and held the position of President and Chief Executive Officer of enGlobe Corp on an interim basis in 2008, and was its Chief Financial Officer from 2007 to 2008. She also held the position of Vice-President Finance for Avestor Limited Partnership from 2006 to 2007 and acted as Vice-President, Corporate Controller and Assistant Corporate Secretary for CAE Inc. from 2000 to 2005. Ms. Bélanger is a Chartered Accountant as well as a Certified Public Accountant, and is a member of the Ordre des comptables agréés (Quebec) and of the Illinois CPA Society. She also holds a MBA from Heriot-Watt University.

Robert M. Radin - Director:

Mr. Radin has recently retired from the U.S. Army after serving for over 35 years and attaining the rank of Major General. His last assignment was as the U.S. Army Assistant Deputy Chief of Staff, G-4, (Logistics), the Pentagon, and Washington, DC. In this position he was responsible for policy development, strategic planning and budget programming for distribution, logistics force structure, readiness reporting, Army pre-positions stocks, contingency contracting and support of U.S. Army worldwide operations. Prior to joining the Army Staff, he served as the Commanding General of the U.S. Army Sustainment Command at Rock Island, Illinois. Other key assignments include: Deputy Chief of Staff for Operations and Logistics for the U.S. Army Materiel Command form 2005 to 2007; Commanding General of the Joint Munitions Command form 2004 to 2005; and from 2003 to 2004 was deployed to Kuwait as the Commanding General, U.S. Army Materiel Command-SWA and was responsible for support of U.S. land forces in Kuwait, Iraq, Afghanistan and Djibouti. After retiring from the Army in June 2011, he founded Radin & Associates Consulting, LLC, a firm that assists clients with supply chain related issues. Mr. Radin has graduated from the U.S. Military Academy at West Point and holds postgraduate degrees from the Florida Institute of Technology and the National Defense University.

Christopher Twigge-Molecey

Dr. Chris Twigge-Molecey retired in 2013 from Hatch Ltd. where he worked for 42 years. He joined Hatch in 1971 and has held a wide range of both technical and management positions. His technical contributions have included implementation of technology development programs management of R&D programs as well as design and commissioning of full scale metallurgical plant. He led the development of Hatch business in several overseas markets including Russia, Chile and China. He was a member of Hatch's board of directors from 2007 to 2011. He is past president of The Canadian Institute of Mining, Metallurgy and Petroleum as well as a past president of The Metallurgical Society. He is also a recipient of the Mineral Economics Award, from the American Institute of Mining, Metallurgy and Petroleum Engineers, a director of the Canada-China Business Council from 2003 to present, a director and member of the executive committee of the Canadian Mining Innovation Council and a member of the Canadian Government Clean Mining Initiative advisory board. ChrisTwigge-Molecey obtained his first degree in Mechanical Sciences from the University of Cambridge, followed by a Ph.D.in fluid mechanics from the University of Toronto.

Cease Trade Orders or Bankruptcies

No proposed director of the Corporation:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

   (a)was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

   (b)was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

2. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or

instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

3. has, within the 10 years, before the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to, or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

As at the date hereof, no proposed director of the Corporation has been subject to:

1. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

2. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Option Plan Re-approval

Shareholders of the Corporation originally approved the implementation of the Option Plan in June 2011. Under the terms and conditions of the Option Plan, up to a maximum of 10% of the issued and outstanding Common Shares of the Corporation are reserved for directors, officers, employees and other service providers. Please see "*Equity Compensation Plan Information – The Option Plan*" for a summary of the Option Plan.

The TSX Venture Exchange (the "Exchange") policy requires that rolling stock option plans, such as that of the Corporation, be approved and ratified by shareholders and the Exchange on an annual basis.

Shareholder Approval

Shareholders approved the introduction of the Option Plan at the Corporation's annual and special meeting of Shareholders in June 2011. Further Shareholder approval is not required for option grants made in accordance with the Option Plan, except as required by Exchange policy. Pursuant to such policies, disinterested Shareholder approval is required when the number of Common Shares reserved for issuance under the Option Plan exceeds a 10% threshold. While options were granted in the financial year ended December 31, 2012, none were granted in the year ended December 31, 2013, such that the 10% threshold was not passed and thus disinterested Shareholder approval will not be sought at this Meeting.

Board of Directors' Recommendation

The Board of Directors unanimously recommends that the Shareholders vote **FOR** the re-approval of the Option Plan Resolution.

Approval

The Exchange requires that the Option Plan Resolution be reapproved by an Ordinary Resolution of Shareholders, either in person or by proxy at the Meeting. Shareholders will be asked to consider and, if deemed appropriate, to pass the Option Plan Resolution. Pursuant to the policies of the Exchange, in

order to be effective, the Option Plan Resolution must be approved by not less than a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the Option Plan Resolution, the persons named in the accompanying proxy will vote **FOR** the Option Plan Resolution.

The following is the text of the Option Plan Resolution which will be put forward for approval by the Shareholders at the Meeting:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT":

1. the Corporation's Option Plan, as described in and attached as Schedule "A" of the management information circular of the Corporation dated May 30, 2014, and the grant of options thereunder in accordance therewith, be approved; and

2. any one director or officer of the Corporation be, and such director or officer of the Corporation is hereby, authorized, instructed and empowered, acting for, in the name of and on behalf of the Corporation, to do or to cause all such other acts and things in the opinion of such director or officer of the Corporation as may be necessary or desirable in order to fulfill the intent of this foregoing resolution."

Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Objectives of Compensation Program

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" or "**NEO**" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean: (i) each of the Chief Executive Officer and the Chief Financial Officer (or an individual that served in a similar capacity) of the Corporation; (ii) each of the Corporation's three most highly compensated executive officers, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation, individually, exceeds $150,000; and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation or its subsidiaries at the end of the most recently completed financial year end of the Corporation.

P. Peter Pascali Jr., CEO, Alan Curleigh, CFO, Gillian Holcroft, VP Executive, Richard Belafi, VP Finance, Pierre Carabin, Director of Engineering, are the NEOs of the Corporation for purposes of the following disclosure.

Until July 11, 2011, the Corporation was a capital pool company "**CPC**" in accordance with the Policies of the Exchange, named Industrial Growth Income Corporation ("**IGIC**"), which did not conduct any active business operations. On July 11, 2011, the Corporation completed its qualifying transaction and an

amalgamation whereby IGIC and Pyrogenesis Canada Inc. amalgamated into one corporation named Pyrogenesis Canada Inc. After the qualifying transaction and the amalgamation, IGIC changed its name to Pyrogenesis Canada Inc.
Given the relatively recent listing status of PCI and the size of its Board of Directors, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified below.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management and sets plans and specific goals at the beginning of every review period. The Board reviews compensation of senior management on an annual basis.

Overview of Compensation Philosophy

The Corporation believes that the creation of long term value for Shareholders depends on its ability to attract, motivate and retain highly talented executives. The Corporation intends to encourage sustained profitability and increase Shareholder value by relating executive compensation to the Corporation's operating and financial performance. Using equity based compensation and other mechanisms the Corporation aims to align the long-term interests of its executive team with that of its Shareholders. It is intended that the Corporation's compensation program will also be designed to increase the probability of retaining key employees.

It is the Corporation's intention that the following principles shall guide the Corporation's overall compensation philosophy going forward: (a) providing a fair and competitive level of compensation; (b) attracting, retaining and motivating qualified executives who are critical to the Corporation's long-term success; (c) rewarding performance, both on an individual basis and with respect to the business in general; and (d) reinforcing the link between Shareholders' interests and the compensation of the Corporation's executives.

Elements of Executive Compensation

In compensating its senior executive officers, the Corporation currently employs a combination of annual compensation in the form of base salary and long-term equity based incentives in the form of option grants under the Option Plan. The Corporation also provides its senior executive officers with competitive benefits and perquisites.

Cash-Based Compensation

Base Salary –Salaries form an essential component of the Corporation's compensation package as they are the first base measure to compensate performance as well as to remain competitive relative to peers in the industry. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. NEOs with employment agreements with the Corporation will be paid an annual salary that also takes into account his or her existing professional qualifications and experience. The NEOs' performances and salaries are to be reviewed periodically by the CEO based on pre-established management objectives determined by him in consultation with the Board on the anniversary of their employment with the Corporation. The CEO's performance is reviewed by the full Board based on pre-established management objectives.

Equity Incentive Plans

Options – The granting of options is to act as a variable component of compensation intended to attract, motivate and reward the executive officers and directors of the Corporation in advancing the success and interests of the Corporation. In determining the number of options to be granted under the Option Plan, the Board gives consideration to, among other things, the individual's current and potential contribution to the success of the Corporation as well as the relative position of the individual within the Corporation.

Additionally, the Corporation may also utilize the grant of options upon hiring of new employees as an element of compensation designed to attract qualified personnel. The grant of options would typically be included in the terms of the particular individual's employment offer letter and the number of options granted would depend on the Corporation's level of desire to retain the particular individual, the particular responsibilities of the position and the individual's level of experience. Please see "*Securities Authorized for Issuance under Equity Compensation Plans – The Option Plan*" for further details regarding the Option Plan.

Benefits and Perquisites

The Corporation's employee benefit program for employees and executive officers includes life, medical, dental and disability insurance. Perquisites are offered to executive officers, which include benefits linked to transportation and parking. The Corporation did not use benchmarking to determine these benefits.

Pension Plan Benefits

The Corporation's group retirement pension plan (the "**Pension Plan**"), a defined contribution pension plan, was created to allow the employees and executive officers, to accumulate capital for their retirement. The Pension Plan is a Registered Pension Plan ("**RPP**"). According to the Pension Plan the Corporation will match an employee's contribution up to 1.5% of the employee's base salary into the RPP. The Corporation's contribution is dependent on whether the employee contributes to the Pension Plan on their own. The employee's and the Corporation's contributions are subject to the maximum eligible amount allowed for under the *Income Tax Act* (Canada). Employees choose, on their own, the financial products to invest their contributions and those of the Corporation. The following table summarizes the defined contribution accounts of the Named Executive Officers.

Name	Accumulated value as at January 1, 2013 ($) [3]	Compensatory ($) [4]	Accumulated value as at December 31, 2013 ($) [5]
P. Peter Pascall Jr.	$110 126	$3 579	$137 910
Gillian Holcroft [1]	Nil	Nil	Nil
Pierre Carabin	$61 722	$2 267	$78 314
Alan Curleigh [2]	Nil	Nil	Nil
Richard Belafi	$2 543	$2 683	$8 463

Notes:
(1) Ms. Holcroft does not participate in the Company defined contribution pension plan.
(2) Mr. Curleigh does not participate in the Company defined contribution pension plan.
(3) Represents the market value of the pension plan at January 1, 2013, including accumulated contributions, net investment income, less any withdrawals.
(4) The Company paid contribution into the defined contribution pension plan during 2013. This amount is matched by the Neo, but not included in this amount.
(5) Represents the market value of the pension plan at December 31, 2013, including accumulated contributions, net investment income, less any withdrawals.

Compensation Governance

Financial Risk Management

The Corporation's compensation practices alleviate risk by having a balance of short term and long term compensation. For example, substantial grants of options do not vest in a year, which allows for continued appreciation and does not jeopardize the Corporation.

Compensation Consultants and Advisors

There were two (2) compensation consultants retained by the Corporation during the financial year ended December 31, 2013: Mr. Michel Drouet and Ms. Aida Kaldas.

Summary Compensation Table

The following table sets forth all annual and long-term compensation for services in all capacities to the Corporation for the three financial years ended respectively December 31, 2011, December 31, 2012 and December 31, 2013, in respect of the NEOs, in accordance with National Instrument Form 51-102F6.

Name and Principal Position	Year	Salary ($)[4]	Share-based awards ($)	Option-based awards ($)[1]	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
P. Peter Pascali Jr.,	2013	$240,364	N/A	$0	N/A	N/A	$3,579	$5,285	$249,228
Chief Executive Officer	2012	$218,539	N/A	$82,500	N/A	N/A	$3,279	$12,685	$317,003
	2011	$240,000	N/A	$465,000	N/A	N/A	$3,600	$12,685	$721,285
Gillian Holcroft,	2013	$194,640	N/A	$0	N/A	N/A	$0	$5,285	$199,925
Executive Vice President	2012	$177,563	N/A	$23,200	N/A	N/A	$0	$12,685	$213,448
	2011	$198,205	N/A	$372,000	N/A	N/A	$0	$12,685	$582,890
Pierre Carabin,	2013	$151,123	N/A	$0	N/A	N/A	$2,267	$0	$153,390
Director of Engineering	2012	$138,408	N/A	$23,200	N/A	N/A	$2,076	$0	$163,684
	2011	$145,231	N/A	$372,000	N/A	N/A	$2,179	$0	$519,410
Alan Curleigh,	2013	$60,000	N/A	$0	N/A	N/A	$0	$0	$60,000
Current Chief Financial Officer(2)	2012	$76,522	N/A	$5,800	N/A	N/A	$0	$0	$82,322
	2011	$71,000	N/A	$93,000	N/A	N/A	$0	$0	$164,000
Richard Belafi, VP Finance(3)	2013	$185,346	N/A	$0	N/A	N/A	$2,683	$6,500	$194,529
	2012	$96,268	N/A	$72,000	N/A	N/A	$1,414	$2,000	$171,682

Notes:

(1) Represents the total grant date fair value of options granted and may not represent the amounts the recipient will actually realize from the awards. The fair value of the options has been estimated at the date of the grant in accordance with IFRS using a Black-Scholes option pricing model. The fair value of the options granted to the NEO's were based on the following weighted average assumptions: risk-free interest rate of 1.32%, dividend yield of nil, a forfeiture rate of 5%, volatility factor of 137% and expected life of 5 years.

(2) Mr. Curleigh is the current Chief Financial Officer; he is Chairman of the Board of Directors and acted as a strategic advisor to the CEO until December 31, 2013. In the year ended December 31, 2013, Mr. Curleigh earned $60,000 for his Board and corporate related services

(3) Mr. Belafi joined the Corporation on April 2, 2012.

(4) The salaries earned in 2012 by the NEO's were lower than in 2011 because of cost containment measures made effective throughout the Corporation from May 12, 2012 to January 14, 2013.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each NEO with an employment agreement with the Corporation as of December 31, 2013.

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options ($)[1]	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested
P. Peter Pascali Jr.[2]	500,000	$ 0.800	July 11, 2016	Nil	N/A	N/A
	500,000	$ 0.175	Sept. 19, 2017	$112,500		
	50,000	$ 0.175	Sept. 19, 2017	$11,250		
Gillian Holcroft[3]	400,000	$ 0.210	Nov. 19, 2017	$76,000	N/A	N/A
	40,000	$ 0.210	Nov. 19, 2017	$7,600		
Pierre Carabin[4]	400,000	$ 0.210	Nov. 19, 2017	$76,000	N/A	N/A
	40,000	$ 0.210	Nov. 19, 2017	$7,600		
Alan Curleigh[5]	100,000	$ 0.210	Nov. 19, 2017	$19,000	N/A	N/A
	10,000	$ 0.210	Nov. 19, 2017	$1,900		
Richard Belafi[6]	400,000	$ 0.210	Nov. 19, 2017	$76,000	N/A	N/A

Notes:

(1) Based on the closing price of Common Shares on the Exchange on December 31, 2013 of C$0.40 per Common Share.

(2) In accordance with Mr. Pascali Jr.'s Option Agreement dated July 11, 2011 his options to purchase 500,000 Common Shares vest as follows: 10% vested on July 11, 2011, 20% vested on July 11, 2012, 30% vested on July 11, 2013 and 40% will vest on July 11, 2014. Furthermore, In accordance with Mr. Pascali Jr.'s Option Agreement dated September 19, 2012 of his 550,000 optioned shares, 500,000 will vest as follows: 30% vested on September 19, 2012, 30% vested on September 19, 2013 and 40% will vest on September 19, 2014 and the remaining 50,000 optioned shares vest as follows: 10% vested on September 19, 2012, 20% vested on September 19, 2013, 30% will vest on September 19, 2014 and 40% will vest on September 19, 2015.

(3) In accordance with Ms. Holcroft's Option Agreement dated November 19, 2012, of her 440,000 optioned shares, 400,000 will vest as follows: 30% vested on November 19, 2012, 30% vested on November 19, 2013 and 40% will vest on November 19, 2014 and the remaining 40,000 optioned shares will vest as follows: 10% vested on November 19, 2012, 20% vested on November 19, 2013, 30% will vest on November 19, 2014 and 40% will vest on November 19, 2015. Furthermore, Ms. Holcroft holds options to purchase 400,000 Common Shares at $0.80 per Common Share, all of which are subject to a non-exercise agreement valid until they expire on July 11, 2016.

(4) In accordance with Mr. Carabin's Option Agreement dated November 19, 2012, of his 440,000 optioned shares, 400,000 will vest as follows: 30% vested on November 19, 2012, 30% vested on November 19, 2013 and 40% will vest on November 19, 2014 and the remaining 40,000 optioned shares will vest as follows: 10% vested on November 19, 2012, 20% vested on November 19, 2013, 30% will vest on November 19, 2014 and 40% will vest on November 19, 2015. Furthermore, Mr. Carabin holds options to purchase 400,000 Common Shares at $0.80 per Common Share, all of which are subject to a non-exercise agreement valid until they expire on July 11, 2016.

(5) In accordance with Mr. Curleigh's Option Agreement dated November 19, 2012, of his 110,000 optioned shares, 100,000l vest as follows: 50% vested on November 19, 2012, 25% vested on November 19, 2013 and 25% will vest on November 19, 2014, and the remaining 10,000 optioned shares will vest as follows: 10% vested on November 19, 2012, 20% vested on November 19, 2013 30% will vest on November 19, 2014 and 40% will vest on November 19, 2015. Furthermore, Mr. Curleigh holds options to purchase 100,000 Common Shares at $0.80 per Common Share, all of which are subject to a non-exercise agreement valid until they expire on July 11, 2016.

(6) In accordance with Mr. Belafi's Option Agreement dated November 19, 2012, his optioned shares will vest as follows: 10% vested on November 19, 2012, 20% vested on November 19, 2013, 30% will vest on November 19, 2014 and 40% will vest on November 19, 2015.

Options/SAR Grants during the most recently completed financial year – December 31, 2013

NEO name A	Securities, Under Options / SARs Granted (#) B	% of Total Options / SARs Granted to Employees in the Financial Year C	Exercise of Base Price ($/Security) D	Market Value of Securities Underlying Options/ SARs on the Date of Grant ($.security) E	Expiration Date F
P. Pascali Jr. CEO	NIL	N/A	N/A	N/A	N/A
Gillian Holcroft Executive Vice President	NIL	N/A	N/A	N/A	N/A
Pierre Carabin Director of Engineering	NIL	N/A	N/A	N/A	N/A
Alan Curleigh, CFO	NIL	N/A	N/A	N/A	N/A
Richard J. Belafi Vice President Finance	NIL	N/A	N/A	N/A	N/A

During the 2013 financial year, the NEOs were not granted any new options**.**

Termination Benefits

During the financial year ended December 31, 2013, the Corporation had employment agreements with the following NEOs: Mr. Pascali Jr., Ms. Holcroft, Mr. Carabin, and Mr. Belafi.

The NEOs employment agreements provide that if the Corporation terminates their employment for any reason other than for cause, death, disability or upon change of control of the Corporation, the NEOs shall be entitled to a three (3) month notice or in lieu of that notice, they shall receive an amount equivalent to one year's base salary with all accrued benefits.

Estimated Incremental Payments on Termination without Cause

The following table provides details regarding the estimated incremental payments from the Corporation to each of the NEOs with employment agreements with the Corporation on termination without cause. If a NEO is terminated without cause, for any reason other than death or disability, then PCI shall give them written notice of such termination.

Name[(1)]	Severance Period (# of months)	Base Salary	Pro rate bonus / other	Premium Contributions (12 months)(2)	Option Based Awards ($)(3)	Total Payment
P. Peter Pascali Jr.	12	$ 240,000		$ 7,054	$ 70,875	$ 324,982
Gillian Holcroft	12	$ 195,000		$ 2,386	$ 47,880	$ 247,652
Pierre Carabin	12	$ 152,000		$ 3,276	$ 47,880	$ 206,431
Alan Curleigh	0	Nil		Nil	$ 14,820	$ 14,820
Richard J. Belafi[(4)]	12	$ 180,000		$ 3,887	$ 22,800	$ 210,573
Total		$ 767,000	$ -	$ 16,602	$ 204,255	$ 1,004,458

(1) NEO's terminated without cause are not entitled to a bonus.

(2) An amount equal to the number of months premium contributions paid on behalf of the NEO immediately prior to the termination in connection with the NEO's participation in PCI's health insurance plan and retirement plan.
(3) Each employee's stock options shall be exercisable for a period of 90 days if the NEO shall cease to be a Participant as defined in the Option Agreement, and in no event after the expiry date of the option. The amounts represent the value of the option- based awards as of the end of the completed financial year using the closing market price of the Corporation's securities on that date of $0.40 per Common Share.
(4) Mr. Curleigh holds the position of acting Chief Financial Officer and Chairman of the Board. Mr. Curleigh does not have an employment agreement with the Company.

Non-Competition and Non-Solicitation

As per their employment agreements the NEOs are bound by non-competition and non-solicitation of clients and employees clauses for up to one year, pursuant to the termination of their employment with the Corporation.

Exercice of Options

In addition, a NEO's stock options shall be exercisable for a period of 90 days if the NEO ceases to be a Participant as defined in the Option Agreement, and in no event after the expiry date of the option.

Director Compensation

In July 2011, the Board determined that non-management directors of the Corporation are to be compensated in accordance with the Corporations' Compensation and Per-Diem Guidelines, that is, each director shall be paid a $5,000 annual retainer and each director shall be paid a $1,000 per diem for Board related activities in accordance with the Guidelines. No other remuneration has been paid to the directors for their services as directors, except as indicated herein and for reimbursements of reasonable out-of-pocket expenses incurred in connection with such duties. Directors are also eligible to participate in the Option Plan.

In September 2012 and in November 2012, directors of the Corporation were granted options pursuant to the Option Plan. In 2013, Mr. Twiggey-Molecy became eligible to participate in the Option Plan and was granted 100,000 options. In 2013, no additional options were issued to Board members. The table below discloses all amounts of compensation paid or accrued to the directors for the financial year ended December 31, 2013.

Name	Fee earned $	Share - based awards $	Option-based awards[2] $	Non-equity incentive plan compensation $	Pension value $	All other compensation $	Total Compensation $
Alan Curleigh [1]							
P. Peter Pascali Jr. [1]							
Gillian Holcroft [1]							
Aline Belanger	$23,000	$0	$0	$0	$0	$0	$23,000
Robert Radin	$17,170	$0	$0	$0	$0	$0	$17,170
Gary Coleman [3]	$3,500	$0	$0	$0	$0	$0	$3,500
Chris Twigge-Molecey [4]	$13,667	$0	$5,700	$0	$0	$0	$19,367

Notes:
(1) Mr. Curleigh, Mr. Pascali Jr. and Ms. Holcroft are current directors and NEOs of the Corporation. All compensation received by Mr. Curleigh, Mr. Pascali Jr. and Ms. Holcroft are reflected in the *Summary Compensation Table* for the NEOs.
(2) Represents the total grant date fair value of options granted in the latest financial year and may not represent the amounts the recipient will actually realize from the awards. The fair value of the options has been estimated at the date of the grant in accordance with IFRS using a Black-Scholes option pricing model. The fair value of the options granted to the directors were based on the following weighted average assumptions: risk-free interest rate of 1.41%, dividend yield of nil, a forfeiture rate of 5%, volatility factor of 102% and expected life of 5 years.
(3) Mr. Coleman resigned from the Board and became a strategic advisor to the Corporation on June 19, 2013..
(4) Mr. Twiggey-Molecy joined the Board on February 16, 2013.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding during the financial year ended December 31, 2013:

	Option-based Awards				Share-based Awards	
Name[1]	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[2]	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested
Aline Bélanger[3]	20,000	$0.21	Nov. 19, 2017	$3,800	N/A	N/A
	50,000	$0.21	Nov. 19, 2017	$9,500		
Robert Radin[4]	100,000	$0.15	Sept. 19, 2017	$25,000	N/A	N/A
Chris Twigge-Molecey[5]	100,000	$0.22	May 30, 2013	$18,000	N/A	N/A

Notes:

(1) Mr. Curleigh, Mr. Pascali Jr. and Ms. Holcroft are current directors of the Corporation. All incentive plan awards received by these directors are reflected in the *Incentive Plan Awards* table for the NEOs.
(2) Based on the closing price of Common Shares on the Exchange on December 31, 2011 of $0.40 per Common Share.
(3) In accordance with Ms. Bélanger's Option Agreement dated November 19, 2012, of her 70,000 optioned shares, 20,000 vested on November 19, 2012, and the remaining 50,000 optioned shares vest as follows: 10% vested on November 19, 2012, 20% vested on November 19, 2013, 30% will vest on November 19, 2014 and 40% will vest on November 19, 2015. Furthermore, Ms. Bélanger holds options to purchase 20,000 Common Shares at $0.80 per Common Share, all of which are subject to a non-exercise agreement valid until they expire on July 11, 2016.
(4) In accordance with Mr. Radin's Option Agreement dated September 19, 2012, his options will vest as follows: 25% vested on September 19, 2012, 25% will vest on September 19, 2013, 25% will vest on September 19, 2014 and 25% will vest on September 19, 2015.
(5) In accordance with Mr. Twigge-Molecey's Option Agreement dated May 30, 2013, his options will vest as follows: 50% vested on May30, 2013, and 50% will vest on May 30, 2014.
(6) Mr. Coleman resigned from the Board and became a strategic advisor to the Corporation on June 19, 2013.

The following table provides information regarding the value vested or earned on incentive plan awards during the financial year ended December 31, 2013:

Name[1]	Option-based Awards - Value vested during the year ($) [2]	Share-based awards - Value vested during the year ($)	Non- equity incentive plan compensation - Value earned during the year ($)
Aline Bélanger	$100	NA	NA
Robert Radin	$0	NA	NA
Chris Twigge-Molecey	$0	NA	NA

Notes:

(1) Mr. Pascali Jr., Mr. Curleigh, and Ms. Holcroft are current directors of the Corporation. All incentive plan awards received by Mr. Pascali Jr., Mr. Curleigh and Ms. Holcroft are reflected in the *Incentive Plan Awards table* for the NEOs.
(2) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of shares at exercise and the exercise price of the options on the vesting date). Amounts are reflected as Nil as the options have not vested or were out of the money.

External Management Companies

There are currently no contracts with external management companies in effect.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The only compensation plan of the Corporation under which equity securities are currently authorized for issue is the Option Plan. The Option Plan was previously reapproved by the Shareholders of the

Corporation in June 2013. The table below summarizes information in relation to the Common Shares reserved for issuance under the Option Plan as of December 31, 2013.

Plan	Number of Securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of Securities remaining available for issuance
Option Plan (approved by Shareholders)	5,634,000[2]	$0.37	1,085,864 [1]
Option Plan (not approved by Shareholders)	N/A	N/A	N/A

Notes:

(1) Based on 10% of the Corporation's issued and outstanding Common Shares as of the end of the Corporation's most recently completed financial year.

(2) The amount of outstanding options includes 1,120,000 of options that are subject to a non-exercise agreement until the end of the option term.

As of the date hereof, there are 5,431,000 options of the Corporation outstanding (6.8% of the current issued and outstanding Common Shares of the Corporation).

The Option Plan

The Option Plan provides that up to 10% of the issued and outstanding Common Shares from time to time may be reserved for issuance upon the exercise of options granted.

The purpose of the Option Plan is to advance the interests of the Corporation by encouraging the directors, officers and key employees of the Corporation and consultants retained by the Corporation to increase the proprietary interests of such persons in the Corporation; align the interests of such persons with the interests of the Corporation's shareholders generally; encourage such persons to remain associated with the Corporation; and furnish such persons with an additional incentive in their efforts on behalf of the Corporation.

The options are non-assignable and may be granted for a term not exceeding five years.

Options may be granted to directors, officers, employees and other service providers (the "**Participants**") subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time.

The Board of Directors of the Corporation is responsible for providing for the granting, exercise and method of exercise of Options.

The securities that may be acquired by Participants under the Option Plan shall consist of authorized but unissued Common Shares. The Common Shares may be acquired upon the exercise of such Option provided that the minimum exercise price shall not be less than the Discounted Market Price as defined in the TSXV Corporate Finance Manual.

The aggregate number of Common Shares reserved for issuance under the Option Plan, or any other plan or agreement of the Corporation, shall not exceed ten percent (10%) of the total number of issued and outstanding Common Shares from time to time (calculated on a non-diluted basis). The aggregate number of Common Shares reserved for issuance to any one Participant (other than a consultant or a person employed in investor relations activities) together with such Participant's participation in any other plan of the Corporation, shall not exceed five percent (5%) of the total number of issued and outstanding Common Shares on a yearly basis (calculated on a non-diluted basis); and all consultants or persons employed in investor relations activities shall not exceed two percent (2%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis).

The period during which an Option may be exercised shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, provided that for a Participant other than a person employed in investor relations activities, no Option shall be exercisable for a period exceeding five years from the date the Option is granted unless otherwise specifically provided by the Board and authorized by the Exchange, if applicable; for a Participant employed in investor relations activities, no Option shall be exercisable for a period exceeding twelve months from the date the Option is granted, with no more than one-fourth of the Options vesting in any three month period.

If any Participant ceases to be a member of the Board, senior officer, employee, management company employee or consultant of the Corporation for any reason other than death, permanent disability or normal retirement, his or her Option will terminate on the earlier of the date of the expiration of the option period and for Participants other than those employed in investor relations activities, 90 days after the date such Participant ceases to be a member of the Board, senior officer, employee, management company employee or consultant of the Corporation, or any subsidiary of the Corporation; and for Participants employed in investor relations activities, 30 days after the date such Participant ceases to be employed in investor relations activities. If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect.

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the period during which the option can be exercised, as was determined by the Board at the time of the grant or until the expiration of 12 months or a period determined by the Board, after the date of death, permanent disability or normal retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability.

The Board may amend the Option Plan at any time, provided however, that no such amendment may materially and adversely affect any Option previously granted to a Participant without the consent of the Participant, except to the extent required by law. Any such amendment shall, if required, be subjected to the prior approval of, or acceptance by, the subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time.

CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Board of Directors is of the view that maintaining effective corporate governance practices is an important factor which contributes to the general success of the Corporation. However, since the Corporation was relatively recently listed on the Exchange and since its Board is small, it is only now working towards establishing specific policies regarding corporate governance.

The Board of Directors is responsible for the supervision of the management of the Corporation's business and affairs in the interests of the shareholders of the Corporation, while continually monitoring the integrity of the Corporation its officers and employees.

Composition of the Board of Directors

As of the date hereof, the Board of Directors is composed of six (6) directors, Mmes. Holcroft and Bélanger as well as Messrs. Curleigh, Pascali Jr., Radin and Twigge-Molecey. The independent members of the Board are Ms. Bélanger and Messrs., Radin and Twigge-Molecey, within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") adopted by the Canadian Securities Administrators. The non-independent members of the Board are Mr. Pascali Jr. (current Chief Executive Officer), Ms. Holcroft (current Executive Vice President) and Mr. Curleigh

(current Chief Financial Officer). Ms. Holcroft, Mr. Pascali Jr. and Mr. Curleigh have been determined to be non-independent within the meaning of NI 58-101 by virtue of their position as current executive officers of the Corporation.

The Board of Directors is of the opinion that current size is adequate, given the purpose of the Corporation, and will further the efficiency of its deliberations, while ensuring a diversity of opinion and experience. The Corporation believes that each and every current director is eager to fulfil his obligations and assume his responsibilities in the best interests of the Corporation and of all the shareholders and not in the best interests of himself or a particular group of shareholders.

The independent directors did not hold any regularly scheduled meetings during the financial year ended December 31, 2013, at which non-independent directors and members of management were not in attendance. To facilitate open and candid discussion among its independent directors, the independent directors are encouraged to ask questions and to review related matters. In addition, any item which could involve a potential conflict of interest among one or more directors is voted on by those directors that are not related to the conflict in question. It is anticipated that independent directors' meetings will be held as deemed appropriate during the current financial year.

Meetings of the Board

The Board held four (4) meetings during the financial year ended December 31, 2013. The members of the Board and their attendance are set forth below.

Board of Directors		
Name of Director	**Independent[(1)]**	**Meeting Attendance**
Alan Curleigh	No	**[4 of 4]**
P. Peter Pascali Jr.	No	**[4 of 4]**
Gillian Holcroft	No	**[4 of 4]**
Aline Bélanger	Yes	**[4 of 4]**
Gary Coleman	Yes	**[1 of 4]** [(2)]
Robert Radin	Yes	**[4 of 4]**
Christopher Twigge-Molecey	Yes	**[4 of 4]**

Notes:

(1) To be considered independent, a member of the Board must not have any direct or indirect or "material relationship" with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.

(2) Mr. Coleman resigned from the Board and became a strategic advisor to the Corporation on June 19, 2013, such that he was only present at the first Board meeting of Directors in 2013.

Orientation and Continuing Education

While the Corporation does not have a formal orientation and training program, new Board members are provided with:

1. information regarding the functioning of the Board;
2. information regarding the nature and operation of the business of the Corporation;
3. access to recent, publicly filed documents of the Corporation; and
4. access to management.

New directors of the Corporation are also provided with insight from other Board members and management regarding the contribution which they are expected to make to the Board in terms of both time and resource commitments. Board members are also encouraged to communicate with management, auditors, technical experts and consultants to keep themselves current with industry trends and developments and changes in legislation; and to attend related industry seminars and visit the Corporation's operations, to ensure that each member of the Board maintains the skill and knowledge necessary to meet their obligations as directors.

Ethical Business Conduct

All directors of the Corporation have the obligation to perform their duties and assume their responsibilities in the best interests of the Corporation. The Corporation expects all of its directors to comply with the laws and regulations governing its conduct and further is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities. The Board views good corporate governance as an integral component to the success of the Corporation and to meet responsibilities to Shareholders.

It is a requirement of applicable corporate law that directors and senior officers who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions and voting in respect to same if the interest is material. These requirements are made clear to all directors and senior officers of the Corporation.

Nomination of Directors

The Corporation does not have a stand-alone nomination committee. The full Board has the responsibility for identifying potential Board candidates. The Board monitors and assesses the mix of skills and competencies required in order for the Board to fulfil its role effectively. In addition, the Board discusses with each individual Board member his intention to continue to serve as a Board member in order to plan and prepare for succession at the Board level in a seamless manner.

Compensation of Directors and Officers

The Corporation does not have a stand-alone compensation committee. The full Board has the responsibility for determining compensation for directors. The Board ensures that compensation is competitive within the industry and aligns the interests of such individuals with those of the Corporation. In addition, the Board discusses with each individual Board member his intention to continue to serve as a Board member in order to plan and prepare for succession at the Board level in a seamless manner. Please see "*Executive Compensation – Compensation Governance*" for the process of determining compensation.

Other Board Committees

Because the Corporation has relatively recently been listed on the Exchange and since its Board is small, it currently has only one committee which is the Audit Committee. The Board of Directors has established this committee to assist it in fulfilling its mandate and to satisfy various regulatory obligations. The Board of Directors oversees the operations of the Audit Committee, the appointment of its members, their compensation and their conduct.

Audit Committee

The overall purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Corporation's financial statements and other relevant public disclosures, the Corporation's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

Charter and Composition of the Audit Committee

The text of the Audit Committee's Charter may be found in the attached Schedule "B". The current members of the Audit Committee are Ms. Bélanger and Messrs. Curleigh and Radin. Ms. Bélanger and Mr. Radin are independent directors in accordance with National Instrument 52-110 – *Audit Committee Governance* ("**NI 52-110**"). The non-independent member of the Committee is Mr. Curleigh, by virtue of his position as Chief Financial Officer of the Corporation. In addition, all members of the Committee are "financially literate" within the meaning of Section 1.6 of NI 52-110 as a result of their prior financial

experience in a management capacity or as member of audit committee of public companies or as certified accountant performing audit services (see "*Election of Directors – Biographies*").

The Audit Committee held six (6) meetings relating to the financial year ended December 31, 2013. The members of the Audit Committee and their attendance are set forth below.

Audit Committee		
Name of Director[(1)]	**Independent/Financially Literate**[(2) (3)]	**Meeting Attendance**
Alan Curleigh	No/Yes	**[6 of 6]**
Aline Bélanger[(4)]	Yes/Yes	**[6 of 6]**

Notes:
(1) Mr. Radin was appointed to the Audit Committee on April 30, 2014.
(2) To be considered independent, a member of the Board must not have any direct or indirect or "material relationship" with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
(3) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
(4) Chairman of the Audit Committee..

Relevant Education and Experience

A majority of the Audit Committee members has served on various public company boards of directors and on the audit committees of such boards. Their combined experience provides a valued contribution to the Audit Committee. For a description of the education and experience of the three Audit Committee members please see their respective biographies under "*Election of Directors – Biographies*" above.

Each member of the Audit Committee has:

(a) an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Corporation's year ended December 31, 2013 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

The Corporation is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 given that it is a venture issuer as defined in NI 52-110. During its most recently completed financial year, PCI has relied on the exemption under part 3 of NI 52-110 as the Chair of the Audit Committee is also the Chief Financial Officer of the Corporation. The Board of Directors has adopted the recommendation of the Audit Committee on the compensation of the external auditor.

Pre-Approval Policies and Procedures

The Audit Committee of the Corporation has not adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee's charter attached hereto as Schedule "B".

Report on Auditor's Fees

The audit for the financial year ended December 31, 2013 was conducted by MNP. The Corporation paid or accrued the following fees in the most recently completed financial year and the previous financial year ended December 31, 2012:

Fees	Financial Year Ended December 31, 2013 ($)	Financial Year Ended December 31, 2012 ($)
Audit Fees [(1)]	$74,550	$126,256
Audit Related Fees [(2)]	$44,837	$34,068
Tax Fees [(3)]	$10,000	$10,000
All other fees [(4)]	Nil	$10,827
Total Fees	**$129,387**	**$181,151**

Notes:

(1) Audit Fees consist of fees paid or accrued for the annual audit of PCI's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements. They also include fees billed for other audit services, which are those services that only the external auditor reasonably can provide, and include the provision of comfort letters and consents, the consultation concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.

(2) Other Audit Related Fees consist of fees paid or accrued for assurance and related services that are reasonably related to the performance of the audit or review of PCI's financial statements or that are traditionally performed by the external auditor, and include consultations concerning financial accounting and reporting standards; the Corporation's IFRS transition, review of security controls and operational effectiveness of systems; due diligence related to acquisitions; and employee benefit plan audits.

(3) Tax Fees include fees paid or accrued for tax compliance services, including the preparation of original and amended tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.

(4) Other fees include fees for products and services other than the services reported in Audit Fees, Audit Related Fees and Tax Fees.

Compensation Committee

The Corporation does not have a stand-alone compensation committee. The full Board has the responsibility for determining compensation for directors and members of senior management. The Board ensures that compensation is competitive within the industry and aligns the interests of such individuals with those of the Corporation. In addition, the Board discusses with each individual Board member his intention to continue to serve as a Board member in order to plan and prepare for succession at the Board level in a seamless manner. Please see "*Executive Compensation – Compensation Governance*" for details with respect to the function of the Compensation Committee.

Assessments

The Board monitors the adequacy of information given to directors, the communication between the Board and management and the strategic direction and processes of the Board and its Committees, to satisfy itself that the Board, its Committees and individual directors are performing effectively. As part of their review, the Board may review Committees' respective mandates/charters and applicable corporate policies.

INDEBTEDNESS OF MANAGEMENT AND DIRECTORS

During the financial year ended December 31, 2013, no director, executive officer, proposed management nominee for director or associate of any director, executive officer or proposed management nominee for director of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including any securities purchase or program.

MANAGEMENT CONTRACTS

Management functions of the Corporation or any of its subsidiaries are not, to any substantial degree, performed by persons other than the directors and senior officers of the Corporation and its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, officer, proposed management nominee for director or person who, to the knowledge of the directors or officers of the Corporation, beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the votes attached to all outstanding Common Shares of the Corporation, informed person or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation.

ADDITIONAL INFORMATION AND AVAILABILITY OF DOCUMENTS

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Inquiries including requests for copies of the Corporation's financial statements and management's discussion and analysis for the financial year ended December 31, 2013 may be directed to Richard Belafi, VP Finance at 514-937-0002.

Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial year ended December 31, 2013 which is also available on SEDAR.

APPROVAL

The contents and sending of this Information Circular have been approved by the Board of Directors of the Corporation.

DATED this 30th day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS OF PYROGENESIS CANADA INC.

(signed) "Alan Curleigh"

Alan Curleigh
Chair

SCHEDULE A
OPTION PLAN

PYROGENESIS CANADA INC.

(the "Corporation")

STOCK OPTION PLAN

1. The Plan

A stock option plan (the "**Plan**") pursuant to which options (hereinafter, an "Option" or "**Options**") to purchase Common Shares or such other shares or other securities as may be substituted therefor or may be acquired by a Participant (as defined in Section 6 hereof) upon the exercise of an Option the terms of which have been modified in accordance with section 15 below (collectively, the "**Shares**") in the capital of the "**Corporation**" may be granted to the Participants is hereby established on the terms and conditions herein set forth.

2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and key employees of the Corporation (including any subsidiaries) and consultants retained by the Corporation to acquire Shares, thereby:

(a) increasing the proprietary interests of such persons in the Corporation;

(b) aligning the interests of such persons with the interests of the Corporation's shareholders generally;

(c) encouraging such persons to remain associated with the Corporation; and

(d) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

3. Administration

(a) This Plan shall be administered by the board of directors of the Corporation (the "**Board**").

(b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms as it shall determine in its sole discretion. In addition, the Board shall have the authority to:

(i) construe and interpret this Plan and all option agreements entered into hereunder;

(ii) prescribe, amend and rescind rules and regulations relating to this Plan; and

(iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.

(c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibilities and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this section 3.

(d) Options to purchase the Shares granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, as amended from time to time by the Board.

4. Shares Subject to Plan

(a) Subject to section 15 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares.

(b) The aggregate number of Shares reserved for issuance under this Plan, or any other plan or agreement of the Corporation, shall not exceed ten percent (10%) of the total number of issued and outstanding Shares from time to time (calculated on a non-diluted basis).

(c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.

6. Eligibility and Participation

(a) The Board may from time to time, in its sole discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein and pursuant to the terms and conditions of an individual option agreement set forth as Schedule "A", provided that Options granted to any Participant or a reduction in the exercise price of a previously granted Option shall be approved by the applicable shareholders of the Corporation if the rules of the Exchange require such approval.

(b) The Board may, in its discretion, select any of the following Persons to participate in this Plan, provided that any such Person, at the time of issuance, was:

(i) a member of the Board or the board of directors of any subsidiary of the Corporation;

(ii) a senior officer of the Corporation or any subsidiary of the Corporation;

(iii) an Employee of the Corporation or any subsidiary of the Corporation;

(iv) a Management Company Employee of the Corporation or any subsidiary of the Corporation; or

(v) a Consultant retained by the Corporation or any subsidiary of the Corporation;

(vi) a Consultant retained to carry out Investor Relations Activities for the Corporation.

Any such person having been selected for participation in this Plan by the Board is herein referred to as a "Participant".

(c) Where used herein:

"**Consultant**" means an individual (or a company controlled by such individual) who:

(i) provides ongoing consulting services to the Corporation or any subsidiary of the Corporation under a written contract, and

(ii) possesses technical, business or management expertise of value to the Corporation or any subsidiary of the Corporation, and

(iii) spends a significant amount of time and attention on the business and affairs of the Corporation or any subsidiary of the Corporation; and

(iv) has a relationship with the Corporation of any subsidiary of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

"Employee" means**:**

(i) an individual who is considered an employee under the Income Tax Act (I.e. for whom income tax, employment insurance and CPP deductions must be made at source); or

(ii) an individual who works full time for the Corporation or a subsidiary, as applicable, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary, as applicable, over the details and methods of work as an employee of the Corporation or a subsidiary, as applicable, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Corporation or a subsidiary, as applicable, on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction of the Corporation or a subsidiary, as applicable, over the details and methods of work as an employee of the Corporation or a subsidiary, as applicable, but for whom income tax deductions are not made at source.

"**Investor Relations Activities**" means activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

(i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation: to promote the sale of products or services of the Corporation; or to raise public awareness of the Corporation that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

(ii) activities or communications necessary to comply with the requirements of: any and all securities laws applicable to the Corporation; or requirements of the Exchange or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;

(iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchaser of it, if: the communication is only through the newspaper, magazine or publication; and the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

(iv) activities or communications that may be otherwise specified by the Exchange.

"**Management Company Employees**" means individuals employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;

"**Person**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

(d) The granting of an Option to an Employee, Consultant or Management Company Employee constitutes a representation by the Corporation that such Participant is a *bona fide* Employee, Consultant or Management Company Employee, as the case maybe.

7. Exercise Price

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that the minimum exercise price shall not be less than the Discounted Market Price. The Discounted Market Price is the Market Price of the Shares, less a discount which shall not exceed 25% if the Market Price is $0.50 or less, 20% if the Market Price is from $0.51 to $2.00 and 15% if the Market Price is above $2.00. Where used herein "**Market Price**" means, subject to certain exceptions required by the rules of the Exchange, the last daily closing price of the Shares before either the issuance of the news release or the filing of a price reservation form (Form 4N) required to fix the price at which the securities are issued or deemed to be issued.

Any reduction in the exercise price of an Option held by an Insider of the Corporation at the time of the proposed amendment shall be subject to disinterested shareholder approval.

8. Number of Optioned Shares

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to:

(a) anyone Participant (other than a Consultant or a person employed in Investor Relations Activities, as hereinafter defined) together with such Participant's participation in any other plan of the Corporation, shall not exceed five percent (5%) of the total number of issued and outstanding Shares on a yearly basis (calculated on a non-diluted basis); and

(b) all Consultants or persons employed in Investor Relations Activities shall not exceed two percent (2%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis).

9. Term

The period during which an Option may be exercised (the "**Option Period**") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, provided that:

(a) for a Participant other than a person employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted unless otherwise specifically provided by the Board and authorized by the Exchange, if applicable;

(b) for a Participant employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding twelve (12) months from the date the Option is granted, with no more than one-fourth (1/4) of the Options vesting in any three (3) month period;

(c) the Option Period shall be automatically reduced in accordance with Sections 11 and 12 below upon the occurrence of any of the events referred to therein; and

(d) no Option in respect of which shareholder approval is required under the rules of any Exchange shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation.

10. Method of Exercise of Option

(a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a Participant.

(b) Options may be exercised in whole or in part and may be exercised on a cumulative basis where a vesting limitation has been imposed at the time of grant.

(c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Montreal, Quebec:

(i) a written notice set forth as Schedule "B" expressing the intention of such Participant (or his or her legal, personal representative) to exercise his or her Option and specifying the number of Shares in respect of which the Option is exercised; and

(ii) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.

(d) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his or her legal, personal representative) shall have then paid for.

11. Ceasing to be a Director, Officer, Employee or Consultant

If any Participant shall cease to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation for any reason other than death, permanent disability or normal retirement, his or her Option will terminate at 5:00 p.m. (Montreal time) on the earlier of the date of the expiration of the Option Period and:

(a) for Participants other than those employed in Investor Relations Activities, 90 days after the date such Participant ceases to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation, or any subsidiary of the Corporation; and

(b) for Participants employed in Investor Relations Activities, 30 days after the date such Participant ceases to be employed in Investor Relations Activities. If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect. Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall:

(c) confer upon such Participant any right to continue as a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation, or any subsidiary of the Corporation as the case may be, or

(d) be construed as a guarantee that the Participant will continue as a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation, or any subsidiary of the Corporation as the case may be.

12. Death, Permanent Disability or Normal Retirement of a Participant

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months or a period determined by the board, after the date of death, permanent disability or normal retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

(a) by the Participant or person or persons to whom the Participant's rights under the Option shall pass by the Participant's Will or by applicable law; and

(b) to the extent that the Participant was entitled to exercise the Option as at the date of his death or permanent disability.

13. Rights of Participants

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

14. Proceeds from Exercise of Options

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

15. Adjustments

(a) The number of shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made changing the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.

(b) Adjustments under this section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued under this Plan on any such adjustment.

16. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable except, where qualified, to a Registered Retirement or similar plan where the Participant is the annuitant thereof, or to a family trust controlled by the Participant. During the lifetime of a Participant, any Options granted hereunder may only be exercised at the direction of the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participants rights under the Option pass by the Participant's Will or by applicable law.

17. Amendment and Termination of Plan

(a) The Board may amend the Plan at any time, provided however, that no such amendment may materially and adversely affect any Option previously granted to a Participant without the consent of the Participant, except to the extent required by law. Any such amendment shall, if required, be subjected to the prior approval of, or acceptance by, the Exchange.

(b) Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:

(i) in the event the Corporation accepts an offer to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or in the event that holders of greater than 50% of the Corporation's outstanding Shares accept an offer made to all or substantially all of the holders of the Shares to purchase in excess of 50.1 % of the current issued and outstanding Shares, then all of the vested Options shall, without any further action on behalf of the Corporation, be automatically vested. Each Participant shall thereafter be entitled to exercise all of such Options within the twenty (20) day period next following the date of acceptance by the Corporation and to determine that upon the expiration of such twenty (20) day period, all rights of the Participant to such Options or to the exercise of same (to the extent not theretofore exercised) shall ipso facto terminate and have no further force or effect whatsoever;

(ii) in the event of the sale by the Corporation of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Optioned Shares in respect of which the Participants would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of the Plan of any such sale at any time up to and including, but not after the earlier of: (A) the close of business on that date which is thirty (30) days following the date of completion of such sale: and (B) the close of business on the expiration date of the Option; but the Participant shall not be entitled to exercise the Option with respect to any other Optioned Shares;

(c) Notwithstanding the provisions of this Article 17, should changes be required to the Plan by any securities commission, stock exchange or other government or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

(d) Notwithstanding any other provisions of this Plan, the Board may at any time by resolution terminate this Plan. In such event, all Options then outstanding and granted to a Participant may be exercised by the Participant for a period of thirty (30) days after the date on which the Corporation shall have notified all Participants of the termination of this Plan, but only to the same extent as the Participants could have exercised such Options immediately prior to the date of such notification.

18. **Necessary Approvals**

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority to stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option (for any reason whatsoever) the obligation of the corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

SCHEDULE B
AUDIT COMMITTEE CHARTER

PYROGENESIS CANADA INC.
(the "COMPANY")

AUDIT COMMITTEE
CHARTER

Approved by the Board of Directors

and effective as of October 25th, 2011

PREAMBLE

The Audit Committee's (the "Committee") Charter clarifies its responsibilities delegated by the Board of Directors (the "Board"). The Charter is used by the Committee to guide the planning and the performance of its work. The Charter also clarifies the understanding the Committee has with the Company's auditors and with management about the nature of their involvement with the Committee and its work.

OVERALL MANDATE

Generally, the Committee promotes and ensures a high standard of financial reporting, risk management and ethical behavior for the Company and in doing so shall carry out the duties and responsibilities as set out in this Charter.

COMPOSITION

The Committee shall consist of at least three Directors appointed by the Board who will serve at the pleasure of the Board and, in any event, only so long as he/she shall be a Board member. The Committee will have an appropriate representation of independent directors as required by law. The composition of the Committee shall comply with the rules and regulations of the stock exchange on which the shares of the Company are listed as well as the Canadian Securities Administrators "Instruments". The Board may fill vacancies in the Committee by election from their number. The Board shall elect the Chairperson of the Committee. In the absence of the Chairperson, the members of the Committee shall appoint an Acting Chairperson. The President of the Company shall not be an ex-officio member of the Committee but the Chairperson of the Board may, at his/her discretion, attend meetings as an ex-officio member. An ex-officio member shall be vested with all of the rights and powers of appointed members.

To ensure the Committee's effectiveness, each member will be financially literate and be prepared to spend the time necessary to address complex issues and to challenge both management and the auditors, where necessary.

A quorum of the Committee shall consist of at least two members of the Committee (for this purpose the Committee shall be deemed to consist of at least three members, two being appointed by the Board as aforesaid and one being an ex-officio member as aforesaid). Notwithstanding any vacancy on the Committee, a quorum may exercise all of the powers of the Committee.

The Secretary shall be selected from its members, or shall be the Corporate Secretary. The Secretary of the Committee shall ensure that minutes of meetings are prepared for distribution to Committee members.

DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

OVERSEEING STANDARDS OF INTEGRITY AND BEHAVIOUR

Management is responsible for the Company's standards of behavior. The Committee assists the Board in obtaining assurances that management is operating the Corporation in an ethical manner and encourages management to demonstrate a strong commitment to integrity.

The Committee requests that management report periodically on how the Company's systems, practices and controls encourage, monitor and provide assurance of compliance with laws, regulations and standards of ethical conduct, including the control of expenses such as perquisites, expense accounts and out-of-pocket expenses for officers and directors.

The Committee seeks the views of the auditors about the Company's standards of behavior. It discusses with the auditors the adequacy of the systems and controls, and the details of any practices or transactions identified by the auditors as being in potential violation of the legal authorities, as well as the details of any "other matters" they consider bringing to the attention of the Board. The committee seeks the views of auditors on remedies to curtail inappropriate practices and behaviors, as well as alternative remedies to rectify those matters that are not in the Company's best interest.

The Committee values financial integrity and credibility. It actively promotes an overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

OVERSEEING FINANCIAL REPORTING

Management is responsible for the Company's financial reporting. This includes preparation of accurate, fair and complete financial reports, the selection of the most appropriate accounting principles and practices, formulation of accounting judgments and estimates, and preparation of the annual report including its management's discussion and analysis (MD&A), budgets and other such reports.

The Committee shall provide assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company and to the investment community. The Committee's primary duties and responsibilities in this regard are to:

(a) oversee the accounting and financial reporting processes of the Company and the audit of its financial statements including:
    i. the integrity of the Company's financial statements;
    ii. the compliance with legal and regulatory requirements; and,
    iii. the independent auditor's qualifications and independence;
(b) serve as an independent and objective party to monitor the Company's financial reporting process and internal control systems;
(c) review and appraise the audit activities of the Company's independent auditors;
(d) provide open lines of communication among the independent auditors, financial and senior management and the Board for financial reporting and control matters and meet periodically with management and with the independent auditors.

The Committee assesses the relevance and the reliability of the financial reports to ensure that they portray, in the clearest light possible, the underlying economic circumstances and financial performance of the Company.

The Committee promotes accuracy, truthfulness, integrity and credibility in financial reporting.

The Committee discusses with management and auditors the inherent fairness, accuracy and completeness of financial disclosures as well as the Company's compliance with legal and regulatory requirements and may request attestation to this effect from them.

The Committee reviews the key accounting principles and the significant judgments and estimates with management and auditors. It seeks their views with respect to the appropriateness and consistency of the accounting principles and practices, not just their acceptability, and the degree of aggressiveness or conservatism in determining estimates.

As integral components of its financial review processes, the Committee reviews the operating and capital budgets, the borrowing plan, summaries of the corporate plan and budgets, the annual and quarterly financial statements, including the MD&A sections, and any other financial information which will be distributed to the public and requiring approval of the Board.

The Committee assesses how well the Company's financial information reporting package meets the Board's needs by reviewing its form, content and level of details.

OVERSEEING MANAGEMENT CONTROL PRACTICES

Management is responsible for maintaining records and financial management and control systems that provide reasonable assurance that assets are safeguarded and maintained, that Intellectual Property (IP) is identified, protected and secured, that transactions are in accordance with regulations and any government directives issued and that financial, human and physical resources are managed economically and efficiently and that operations are carried out effectively.

Management is responsible for identifying the principal business risks facing the Company and formulating the Company's risk tolerance levels and risk management policies for consideration and approval by the Board. The Committee assists the Board in this function, focusing on the financial risks.

The Committee holds management accountable for the design and functioning of the Company's control framework in order to monitor, assess and mitigate the Corporation's business risks and uncertainty, as well as legal, environmental, social responsibility and ethical compliance. Periodically, the Committee requests that management provides it with an assessment of the effectiveness of the internal control structure and procedures, and, if warranted, with plans for improving its effectiveness.

The Committee reviews with the auditors (internal, external and special examiners when applicable) their assessments of the design and functioning of the control framework and the systems in place for ensuring that the business risks are identified, monitored, controlled and within the Company's limit of tolerance, and their views on management's plans for improvements.

OVERSEEING WORK OF AUDITORS

The Committee recognizes that the Company's auditors possess substantial expertise and have significant professional responsibilities. It holds the auditors accountable for fulfilling their respective responsibilities.

The Internal auditor (when established) will be accountable to the Committee, in its capacity as a committee of the Board.

The Committee demands independent and objective assessments of the Company's standards of behavior, its compliance with authorities, its financial reporting, and its business risks systems, practices and controls from the auditors.

The Committee oversees audit activities with respect to the following two (2) types of audits:

(a) the annual audit deals with the fairness of the statements, compliance of transactions with specified legal authorities, and any other matter identified by the external auditor as important,
(b) the internal audit (when established), which is a part of management's system of internal control, deals with matters similar to those of the annual audit.

The Committee reviews and follows the five (5) generic phases of each of the two (2) types of audits:

(a) establishing the purpose and terms of reference for the audit;
(b) selection and organization of a team of experienced professionals to plan and conduct the audit;
(c) conduct of the audit; and
(d) reviews all of the audit results and findings, and reports to the Board.

The Committee shall review management's plans to correct any significant problems raised by the internal and external auditors. It shall monitor and review management's progress in implementing its response plan.

The Committee ensures that management has not placed any inappropriate restrictions on the audits and confirms that the external auditor is independent and able to maintain its objectivity.

The Committee approves the mandate of the internal audit function, monitors the long term internal audit plan and ensures that the internal auditor has adequate resources to perform its responsibilities and has direct and open communication with the Committee. It reviews the reporting relationship of the internal auditor to ensure that an appropriate segregation of duties is maintained and that the internal auditor has an obligation to report directly to the Committee on matters affecting its duties, irrespective of his or her reporting relationships.

The Committee evaluates the work of each of the auditors with a view to determining the level of assurance that can be derived from their work.

Periodically, the Committee evaluates the performance of each auditor.

The Committee shall establish effective communication processes with management and the Company's auditors, to assist it in monitoring objectively the quality and effectiveness of the relationship among the auditors, management and the Audit Committee. It shall be responsible for the resolution of disagreements between management and auditors.

OPERATIONAL RESPONSIBILITIES

Each new member will receive an orientation about the Committee's work and responsibilities and all members are encouraged to keep current about accounting, auditing and financial reporting standards and practices. In recognition of the importance of the financial literacy skills of its members, the Committee relies on the full support of the Board in acquiring and in developing an approach to improve the necessary skills, when required.

Annually, the Committee reviews the Charter setting out the scope of its responsibilities, and, where in the opinion of the Committee, amendments to the Charter are required, may propose such amendments to the Board for consideration and approval.

Annually, the Committee will consider the appropriateness of preparing a report to the Board describing its work.

OTHER RESPONSIBILITIES

Periodically, in consultation with the Chief Financial Officer and the auditors, the Committee seeks reasonable assurance of the quality and sufficiency of the Company's accounting and financial personnel and other resources.

The Committee shall discuss or review in advance the appointment of the Chief Financial Officer.

The Committee shall review procedures established by management for dealing with complaints from employees related to financial reporting, controls and corporate conduct.

The Committee may investigate any matters that, at the Committee's discretion, fall within its duties.

The Committee shall perform such other functions as are assigned to it by law or by the Board.

The Committee shall review with the general counsel, legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements, related organization compliance policies, and program and reports received from regulators.

OPERATING PROCEDURES

The Committee shall meet quarterly, or more frequently as appropriate, in advance of regularly scheduled Board meetings. Committee meetings shall be called by the Committee Chair or requested by any Committee member or by the Board Chair.

Notice of each meeting of the Committee shall be given to each member of the Committee (including the Chair of the Board as an ex-officio member of the Committee), and except in the case of an in-camera meeting, also to the Auditors, the Chief Executive Officer and the Chief Financial Officer of the Company. Notice of the meeting shall be given either orally or by electronic mail, not less than 48 hours before the time fixed for the meeting. Members may waive notice of a meeting.

Meeting discussions may take place face to face, by teleconference or through a reciprocal interchange of emails.

The agenda for each meeting will be established by the Chair of the Committee.

Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.

The Chief Executive Officer and the Chief Financial Officer of the Corporation shall attend all Audit Committee meetings, with the exception of in-camera meetings.

A matter put to vote at a meeting of the Committee shall be decided by a majority of the votes cast, and in the event of an equality of votes, the Chair has a deciding vote.

The Secretary of the Committee shall ensure that minutes of meetings are prepared for distribution to Committee members, and, except for in-camera meetings, to the Auditors, the Chief Executive Officer and the Chief Financial Officer of the Corporation.

The Chair of the Committee will report to the Board on proceedings and deliberations of the Committee, either orally or in writing, at the first subsequent meeting of the Board or at such earlier time as the Committee in its discretion may consider advisable.

The Committee may retain at the Corporation's expense, with prior Board approval, independent consultants and such other persons as the Committee shall determine necessary to fulfill its duties and responsibilities.

LIMITATION ON THE COMMITTEE'S DUTIES

In contributing to the Committee's discharging of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's purpose is to monitor, review and when appropriate, recommend changes to financial and corporate operating standards as they are practiced by the Company's management to gain reasonable assurance (but not to ensure) about fundamental activities of the Company.