MATERIAL CHANGE REPORT
FORM 51-102F3

1. Name and Address of Company

PyroGenesis Canada Inc. (the "**Company**")
1744 William Street, Suite 200
Montreal, Quebec
H3J 1R4

2. Date of Material Change

May 22, 2014 and May 23, 2014.

3. News Release

A news release in respect of the material change was issued on May 22, 2014 and May 23, 2014 through CNW and are attached hereto as Schedule "A".

4. Summary of Material Change

On May 22, 2014, the Company announced that it had closed its previously announced private placement offering of units of the Company ("**Units**") at $0.60 per Unit (the "**Issue Price**"). Mackie Research Capital Corporation, as sole agent and bookrunner (the "**Agent**"), sold a total of 4,645,699 Units (the "**Brokered Offering**"), which together with an additional 1,166,667 Units sold directly by the Company on a non-brokered basis, resulted in a total of 5,812,366 Units being issued for gross proceeds of $3,487,419.60 (collectively, with the Brokered Offering, the "**Offering**").

Each Unit consists of one common share of the Company (each, a "**Common Share**") and one-half (1/2) of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant entitles its holder to acquire an additional Common Share (each, a "**Warrant Share**") at an exercise price of $0.85 per Warrant Share for a period of 18 months following the closing of the Offering. Each Unit will be subject to a statutory hold period of four months and one day from the closing date of the Offering which expires on September 23, 2014 (the "**Hold Period**"). The Warrants will be subject to accelerated expiry provisions, such that if at any time after the completion of the Hold Period, the closing price of the Common Shares on the TSX Venture Exchange is at least $1.20 per Common Share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants, in which event the Warrants will expire upon the date which is 20 days following the date the Company provides written notice of the accelerated expiry to holders.

In consideration for its services in connection with the Offering, the Agent received a cash commission equal to 7% of the gross proceeds of the Brokered Offering. The Agent also received 325,198 compensation options ("**Compensation Options**"). Each Compensation Option is exercisable for one Unit at the Issue Price for a period of 18 months from closing of the Offering.

The Company intends to use the net proceeds from the Offering for general corporate purposes, working capital and development projects relating to recent business development efforts.

In addition to the completion of the Offering, the Company announced on May 23, 2014 that it completed a shares for debt transaction with its creditor, Phoenix Haute Technology Inc. ("**Phoenix**"), whereby the Company had requested and Phoenix had agreed to the Company issuing 7,500,000 Common Shares at a deemed price of $0.80 in payment of $6 million owing by the Company to Phoenix.

Following completion of this shares for debt transaction, Phoenix, a company wholly-owned by Peter Photis Pascali, will hold 10,441,524 Common Shares, representing approximately 12.97% of the issued and outstanding Common Shares and Phoenix and Peter Photis Pascali, taken together, will hold, directly or beneficially, an aggregate of 24,615,795 Common Shares,

representing approximately 30.57% of the issued and outstanding Common Shares.

5. Full Description of Material Change

For a full description of the material change, see the news release attached hereto as Schedule “A”.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

None.

8. Executive Officer

For further information, please contact Mr. P. Photis Pascali, Chief Financial Officer of the Company, at (514) 937-0002.

9. Date of Report

May 26, 2014.

SCHEDULE "A"

PRESS RELEASE

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

PyroGenesis Announces Closing of $3.5 Million Private Placement; Oversubscribed by Over 15%

May 22, 2014, Montreal, Quebec – PyroGenesis Canada Inc. ("**PyroGenesis**") (TSXV: PYR), a TSX Venture 50® plasma solutions company that designs, develops and manufactures plasma waste-to-energy systems and plasma torch systems, is pleased to announce the closing of its previously announced private placement offering of units of PyroGenesis (the "**Units**") at $0.60 per Unit (the "**Issue Price**"). Mackie Research Capital Corporation, as sole agent and bookrunner (the "**Agent**"), sold a total of 4,645,699 Units (the "**Brokered Offering**"), which together with an additional 1,166,667 Units sold directly by PyroGenesis on a non-brokered basis, resulted in a total of 5,812,366 Units being issued today for gross proceeds of $3,487,419.60 (collectively, with the Brokered Offering, the "**Offering**").

Each Unit consists of one common share of PyroGenesis (each, a "**Common Share**") and one-half (1/2) of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant entitles its holder to acquire an additional Common Share (each, a "**Warrant Share**") at an exercise price of $0.85 per Warrant Share for a period of 18 months following the closing of the Offering. Each Unit will be subject to a statutory hold period of four months and one day from the closing date of the Offering which expires on September 23, 2014 (the "**Hold Period**"). The Warrants will be subject to accelerated expiry provisions, such that if at any time after the completion of the Hold Period, the closing price of the Common Shares on the TSXV is at least $1.20 per Common Share for a period of 20 consecutive trading days, PyroGenesis may accelerate the expiry date of the Warrants, in which event the Warrants will expire upon the date which is 20 days following the date PyroGenesis provides written notice of the accelerated expiry to holders.

In consideration for its services in connection with the Offering, the Agent received a cash commission equal to 7% of the gross proceeds of the Brokered Offering. The Agent also received 325,198 compensation options ("**Compensation Options**"). Each Compensation Option is exercisable for one Unit at the Issue Price for a period of 18 months from closing of the Offering.

PyroGenesis intends to use the net proceeds from the Offering for general corporate purposes, working capital and development projects relating to recent business development efforts. The Offering is subject to the final approval of the TSX Venture Exchange.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act), except pursuant to an exemption from the registration requirements of those laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the 1933 Act).

Shares for Debt Transaction

PyroGenesis is also pleased to announce that it has entered into an agreement with its creditor, Phoenix Haute Technology Inc. ("**Phoenix**"), whereby PyroGenesis has requested and Phoenix has agreed to PyroGenesis issuing 7,500,000 Common Shares at a deemed price of $0.80 in payment of $6 million owing by PyroGenesis to Phoenix.

The completion of this transaction is subject to the final approval of the TSX Venture Exchange.

"This shares for debt transaction not only serves to improve cash flow, but significantly improves the company's balance sheet", said P. Pascali, President and Chief Executive Officer of PyroGenesis. "The financing combined with the debt conversion results in the company now being able to report a positive Shareholder equity."

Following completion of this transaction and the Offering, Phoenix will hold 10,259,706 Common Shares, representing approximately 12.70% of the issued and outstanding Common Shares.

This transaction is a "related party transaction" for the purposes of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). PyroGenesis is relying on an exemption from the minority approval and formal valuation requirements of MI 61-101 due to the fact that the value of the transaction does not represent greater than 25% of the market capitalization of the Company.

PyroGenesis has not filed a material change report 21 days prior to the closing of the debt settlement transaction as no agreement to that effect was in place at that time.

About PyroGenesis

PyroGenesis, a TSX Venture 50® company, is the world leader in the design, development, manufacturing and commercialization of advanced plasma processes. We provide engineering and manufacturing expertise, cutting-edge contract research, as well as turnkey process equipment packages to the defense, metallurgical, mining, advanced materials, oil & gas, and environmental industries. With a team of experienced PyroClassTM engineers, scientists and technicians working out of our Montreal office and our 3,800 m2 demonstration facility, PyroGenesis maintains its competitive advantage by remaining at the forefront of technology development and commercialization. Our core competencies allow PyroGenesis to lead the way in providing innovative plasma torches, plasma waste processes, high-temperature metallurgical processes, and engineering services to the global marketplace. Our operations are ISO 9001:2008 certified, and have been since 1997. PyroGenesis is a publicly-traded Canadian company on the TSX Venture Exchange (Ticker Symbol "PYR"). For more information, please visit www.pyrogenesis.com.

Disclaimer in Regards to Forward-Looking Statements

Certain statements made in this press release that are not historical facts are forward-looking statements and are subject to important risks, uncertainties and assumptions, including statements with respect to the size of the Offering and the use of proceeds from the Offering. The results or events predicted in these forward-looking statements may differ materially from actual results or events. As a result, readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking information contained in this press release represents PyroGenesis' current expectations. PyroGenesis disclaims any intention and assumes no obligation to update or revise any forward-looking information, except if required by applicable securities laws.

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

For more information:
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NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

PyroGenesis Announces Completion of Shares for Debt Transaction

May 23, 2014, Montreal, Quebec – PyroGenesis Canada Inc. ("**PyroGenesis**") (TSXV: PYR), a TSX Venture 50® plasma solutions company that designs, develops and manufactures plasma waste-to-energy systems and plasma torch systems, is pleased to announce that, further to its press release of May 22, 2014, it has completed its previously announced shares for debt transaction (the "**Shares for Debt Transaction**") by issuing 7,500,000 common shares ("**Common Shares**") of PyroGenesis from treasury at a deemed price of $0.80 per Common Share to Phoenix Haute Technology Inc. ("**Phoenix**") to settle $6 million owing by PyroGenesis to Phoenix.

Following completion of the Shares for Debt Transaction, Phoenix, a company wholly-owned by Peter Photis Pascali, will hold 10,441,524 Common Shares, representing approximately 12.97% of the issued and outstanding Common Shares and Phoenix and Peter Photis Pascali, taken together, will hold, directly or beneficially, an aggregate of 24,615,795 Common Shares, representing approximately 30.57% of the issued and outstanding Common Shares.

The Common Shares issued pursuant to the Shares for Debt Transaction will be subject to a hold period of four months and one day from the date of issuance thereof under applicable securities laws and TSX Venture Exchange ("**TSXV**") rules. The transaction is subject to final approval of the TSXV.

Phoenix has acquired the Common Shares for investment purposes and may, in the future, acquire or dispose of the Common Shares through the market, private or otherwise as circumstances or market conditions warrant.

A copy of the early warning report filed with the applicable securities regulators regarding the Shares for Debt Transaction will be available within the applicable time and will be available under PyroGenesis' profile on SEDAR at www.sedar.com.

Following the issuance of the press release on May 22, 2014, it has come to the attention of PyroGenesis that there was an administrative error in the number of Common Shares reported to be held by Phoenix. As announced today, following the completion of the Shares for Debt Transaction, Phoenix holds 10,441,524 Common Shares, representing 12.97% of the issued and outstanding Common Shares, as opposed to 10,259,706 Common Shares, representing 12.70% of the issued and outstanding Common Shares, as was previously reported.

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PyroGenesis, a TSX Venture 50® company, is the world leader in the design, development, manufacturing and commercialization of advanced plasma processes. We provide engineering and manufacturing expertise, cutting-edge contract research, as well as turnkey process equipment packages to the defense, metallurgical, mining, advanced materials, oil & gas, and environmental industries. With a team of experienced PyroClassTM engineers, scientists and technicians working out of our Montreal office and our 3,800 m2 demonstration facility, PyroGenesis maintains its competitive advantage by remaining at the forefront of technology development and commercialization. Our core competencies allow PyroGenesis to lead the way in providing innovative plasma torches, plasma waste processes, high-temperature metallurgical processes, and engineering services to the global marketplace. Our operations are ISO 9001:2008 certified, and have been since 1997. PyroGenesis is a publicly-traded Canadian company on the TSX Venture Exchange (Ticker Symbol "PYR"). For more information, please visit www.pyrogenesis.com.

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subject to important risks, uncertainties and assumptions, including statements with respect to the size of the Offering and the use of proceeds from the Offering. The results or events predicted in these forward-looking statements may differ materially from actual results or events. As a result, readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking information contained in this press release represents PyroGenesis' current expectations. PyroGenesis disclaims any intention and assumes no obligation to update or revise any forward-looking information, except if required by applicable securities laws.

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

For more information:
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