AGENCY AGREEMENT

March 30, 2015

PyroGenesis Canada Inc.
1744 William Street, Suite 200
Montreal (Québec) H3J 1R4 Canada

Attention: P. Peter Pascali, President / CEO

Dear Sirs:

The undersigned, Pope & Company Limited (the "**Agent**"), understands that PyroGenesis Canada Inc. (the "**Company**") proposes to issue and sell up to $4,000,000 principal amount of 7.5% unsecured subordinated convertible debentures (the "**Debentures**") at par (the "**Purchase Price**") on the terms and conditions as provided for in the term sheet attached as Schedule A hereto (the "**Offering**"). The Debentures will be created and issued pursuant to a debenture indenture (the "**Debenture Indenture**") to be dated as of the Closing Date (as defined below) between the Company and CST Trust Company (the "**Debenture Agent**"). The description of the Debentures herein is a summary only and is subject to the specific attributes and detailed provisions to be set forth in the term sheet and the certificates representing the Debentures (the "**Debenture Certificates**"). In case of any inconsistency between the description of the Debentures in this Agreement and the terms of the Debenture Indenture, the provisions of the Debenture Indenture shall govern.

Based on the foregoing and subject to the representations, warranties, covenants, terms and conditions of this agency agreement (the "**Agreement**"), the Agent hereby agrees to act as agent of the Company to offer for sale, on a "best efforts" agency basis and without underwriting liability, the Debentures, and by its acceptance hereof, the Company agrees to create, issue and sell and hereby appoints the Agent exclusively to sell the Debentures at the Closing Time (as defined herein). The Agent understands that the Debentures will not trade upon issue. The Company understands and agrees that the Agent is under no obligation to purchase any of the Debentures.

The Company agrees that the Agent will be permitted to appoint, with the prior consent of the Company, at its sole expense, other registered dealers (or other dealers duly qualified in their respective jurisdictions) as its agents to assist in the Offering and that the Agent may determine the remuneration payable to such other dealers appointed by them, such remuneration to be the sole responsibility of the Agent.

In consideration for its services hereunder, the Agent shall be entitled to the fee and the Compensation Warrants (as hereinafter defined) provided for in Section 10. That fee shall be payable and the Compensation Warrants shall be issuable at the Closing Time upon the Closing (as hereinafter defined) of the sale of the Debentures.

The Offering is conditional upon and subject to the additional terms and conditions set forth below.

1. Interpretation.

(a) In this Agreement and the Schedules hereto, in addition to the terms defined above, unless otherwise indicated or unless the context otherwise requires, the following terms shall have the following meanings:

"**Accredited Investor**" means a Purchaser who qualified as an "accredited investor pursuant to National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**Accredited Investor Representation Letter**" means the Accredited Investor Representation Letter for Purchasers attached as Schedule A to the Subscription Agreement;

"**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"**Agent**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Agent's Commission**" has the meaning ascribed to that term in paragraph 10(a);

"**Agreement**" means this agency agreement and includes the schedules hereto, as modified, amended and/or supplemented from time to time;

"**Ancillary Documents**" means all certificates representing the Debentures, all certificates representing the Compensation Warrants and all agreements and other documents executed and delivered, or to be executed and delivered, by the Company in connection with the transactions contemplated by the Documents;

"**Applicable Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, written policies, judicial or arbitral or administrative or ministerial or departmental or regulatory judgements, orders, decisions, rulings or awards, including general principles of common and civil law, and conditions of any grant of approval, permission, authority or license of any court, governmental entity or statutory body or regulatory body (including the TSX-V) applicable to the Offering and includes without limitation the securities laws of the Offering Jurisdictions, including Canadian Securities Laws and U.S. securities laws;

"**Business Day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday, or a day on which commercial banks are not open for business, in the City of Montreal, Quebec and Toronto, Ontario;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules and regulations made thereunder, together with applicable published policy statements, instruments, orders and rulings of the securities regulatory authorities in such provinces;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Claim**" has the meaning ascribed to it in paragraph 12;

"**Closing**" means the completion of an issue and sale by the Company, and the purchase by the Purchasers, of the Debentures pursuant to the Subscription Agreements;

"**Closing Date**" means March 30, 2015 or such other date as may be agreed to by the Company and the Agent, each acting reasonably;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time as the Company and the Agent may agree;

"**Common Share**" means a common share in the capital of the Company;

"**Company**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Compensation Warrant**" has the meaning ascribed to that term in paragraph 10(b);

"**Compensation Warrant Share**" has the meaning ascribed to that term in paragraph 10(b);

"**Conversion Shares**" means the Common Shares into which the Debentures may be converted in accordance with the terms of the Debenture Indenture;

"**Debenture**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Debenture Agent**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Debenture Certificate**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Debenture Indenture**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Disclosure Documents**" means all information regarding the Company (and its predecessors) that is, or becomes, publicly available on SEDAR or otherwise available to the public, including the Financial Statements, press releases, material change reports and prospectuses;

"**distribution**" means distribution or distribution to the public, as the case may be, as those terms are defined in Canadian Securities Laws;

"**Documents**" means, collectively, this Agreement, the Subscription Agreements and the Debenture Indenture;

"**Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended;

"**Financial Statements**" means the audited consolidated financial statements of the Company for the year ended December 31, 2013, in each case prepared in accordance with International Financial Reporting Standards;

"**Family, Friends and Business Associates Investor**" means a Purchaser who is purchasing the Debentures as principal and is not resident in or otherwise subject to the laws of the provinces of Ontario or Saskatchewan and is relying on the "Family, Friends and Business Associates" exemption pursuant to National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**Family, Friends and Business Associates Investor Representation Letter**" means the Family, Friends and Business Associates Representation Letter attached as Schedule B to the Subscription Agreement;

"**Hold Period**" means the hold period consisting of 4 months and a day after the Closing Date imposed under National Instrument 45-102 – *Prospectus Exempt Distribution* under Canadian Securities Laws;

"**including**" means "including without limitation";

"**Indemnified Party**" and "**Indemnified Parties**" have the meanings ascribed thereto in paragraph (a);

"**Indemnifier**" has the meaning ascribed thereto in paragraph (a);

"**Material Adverse Effect**" means any change, fact, event, circumstance or state of being which could reasonably be expected to have a material and adverse effect (actual or anticipated, whether financial or otherwise) on the business, affairs, operations, assets, liabilities (contingent or otherwise), capital, prospects, results of operations or condition (financial or otherwise) of the Company;

"**Material Change**" has the meaning given to that term under the Securities Act;

"**Material Fact**" has the meaning given to that term under the Securities Act;

"**misrepresentation**", "**material fact**", "**material change**" and "**distribution**" have the respective meanings ascribed to them in the *Securities Act* (Ontario);

"**Offering**" means the offering of the Debentures contemplated by this Agreement;

"**Offering Jurisdictions**" means: (i) the Qualifying Jurisdictions; and (ii) such other jurisdictions where the Debentures are sold, which are agreed to between the Company and the Agent;

"**Person**" means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

"**Purchase Price**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Purchasers**" means the Persons who as purchasers acquire Debentures by duly completing and executing the Subscription Agreement;

"**Qualifying Jurisdictions**" means each of the Provinces of Canada;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**Regulatory Authorities**" means the securities regulatory authorities in each of the Offering Jurisdictions;

"**SEDAR**" means the System for Electronic Document Analysis and retrieval established by National Instrument 13-101 of the Canadian Securities Administrators;

"**Subscription Agreement**" means the subscription agreement in the form agreed upon by the Agent and the Company pursuant to which Purchasers agree to subscribe for and purchase the Debentures and shall include, for greater certainty, all schedules thereto;

"**TSX-V**" means The TSX Venture Exchange;

"**United States**" means the United States of America, its territories and possessions, any state of the United States, the District of Columbia, and the areas subject to the jurisdiction of the United States of America;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act* of 1934, as amended, and the regulations promulgated thereunder;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended, and the regulations promulgated thereunder; and

"**U.S. Securities Laws**" means the applicable blue sky or state securities legislation in the United States, together with the U.S. Exchange Act and the U.S. Securities Act.

(b) **Knowledge.** Where any representation or warranty contained in this Agreement or any Ancillary Document is expressly qualified by reference to the "knowledge" of the Company, or where any other reference is made herein or in any Ancillary Document to the knowledge of the Company, it shall be deemed to refer to the best knowledge of the officers and the directors of the Company after due enquiry of appropriate and relevant Persons.

(c) **Business Days.** Where any action or step is to be taken or completed on or by a specified date, and such date is not a Business Day in the applicable jurisdiction, then such action or step may be taken or completed on the next following Business Day.

(d) **Plural and Gender.** Whenever used in this Agreement, words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine gender and neuter.

(e) **Currency.** All references to monetary amounts in this Agreement and to "$" or to "Cdn.$" are to lawful money of Canada unless otherwise specified.

(f) **Schedules.** The following schedules are attached to this Agreement and are deemed to be a part of, and incorporated into, this Agreement:

Schedule	Title
A	Term Sheet
B	Agent's Certificate

2. Terms and Conditions.

(a) **Sale in Canada on Exempt Basis.** The Debentures shall be offered by the Agent in the Qualifying Jurisdictions in compliance with the Canadian Securities Laws and only to such Purchasers and in such manner to reasonably ensure that, pursuant to the provisions of applicable Canadian Securities Laws, no prospectus (as such term is defined in Canadian Securities Laws), registration statement, offering memorandum or other similar document need be filed or delivered in connection therewith. The Agent covenants with the Company that it will: (i) obtain from each Purchaser an appropriately executed Subscription Agreement; (ii) use commercially reasonable efforts to ensure that any selling agent appointed by the Agent in connection with sale of the Debentures agrees with the Agent to comply with the covenants and obligations of the Agent contained herein; and (iii) execute and deliver to the Company, subject to the terms and conditions of this Agreement, any certificate required to be executed by them under Canadian Securities Laws in connection with the Offering provided that the Agent is satisfied, acting reasonably, that it is appropriate and responsible to do so. The Company shall have the right to reject, or accept in part only, subscriptions received.

(b) **Legal Compliance.** The Company undertakes to file or cause to be filed, within the time periods stipulated by Applicable Laws, all forms, undertakings and other documents required to be filed by the Company under Applicable Laws in connection with the offer and sale of the Debentures, in order that the distribution of the Debentures may lawfully occur without the necessity of filing a prospectus or similar document in Canada or any of the other Offering Jurisdictions. All fees payable in connection with such filings shall be at the sole expense of the Company. The Company further agrees to comply with all Applicable Laws (including Canadian Securities Laws and applicable stock exchange requirements (including those of the TSX-V)) in connection with the distribution of the Debentures.

(c) **No Media, General Solicitation or General Advertising.** Subject to paragraph 13, neither the Company nor the Agent shall: (i) provide to prospective Purchasers any document or other material that would constitute a prospectus, an offering memorandum or require registration within the meaning of the Applicable Laws of Canada; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Debentures, including causing the sale of the Debentures to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television, internet or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Debentures whose attendees have been invited by general solicitation or advertising, except for such press releases as may be permitted under Applicable Laws.

(d) **No U.S. Registration of Debentures.** The Agent acknowledges that the Debentures and Conversion Shares into which the Debentures may be converted have not been, and will not be, registered under the U.S. Securities Act or applicable state securities laws.

(e) **Securities Laws.** The Agent covenants and agrees with the Company that it shall conduct, and shall use its best efforts to cause its affiliates and any person acting on its behalf to conduct, activities in connection with arranging for the offer and sale of the Debentures in compliance with all Applicable Laws.

(f) **TSX Venture Exchange.** The obligation of the Agent to complete the transactions contemplated herein shall be conditional upon the TSX-V conditionally approving for listing the Conversion Shares on the terms and conditions contemplated herein, and the Company agrees to use its commercially reasonable efforts to obtain, prior to the Closing Date, the necessary approvals of the TSX-V in respect thereof on such conditions as are acceptable to the Agent, acting reasonably.

(g) **Due Diligence.**

(i) Until the Closing Date, the Company shall at all times allow the Agent and its representatives to conduct all due diligence investigations, examinations and oral due diligence sessions which the Agent may reasonably require in order to fulfill its obligations as Agent. The Company agrees to use its best efforts to assist the Agent with its due diligence investigations. The Company will provide such information as to its financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the Agent, which information, if not in the public domain, will be kept confidential by the Agent, provided that the Agent shall have the right to disclose such confidential information to its professional advisers for legal, accounting and tax advice purposes, and except as otherwise required by law.

(ii) The Company will provide to the Agent all corporate, financial and operating information and documentation regarding the Company, the securities and the Offering, and will provide access to its senior management, facilities, employees, auditors, legal counsel and consultants, which are reasonably necessary and sufficient to allow the Agent to perform its services hereunder. Without restricting any of the foregoing, the Company will provide the Agent with copies of any forecasts and projections prepared by, or on behalf of, the Company.

(iii) The Company hereby agrees to undertake to do all such things as are necessary to enable the Company's auditors to attend and participate in any due diligence teleconference or meeting, if so requested by the Agent, including, if necessary, (i) retaining at the Company's expense the Company's auditors to conduct a review of the unaudited financial statements of the Company, and the review of any such other materials deemed necessary by the Company's auditors to enable their participation in any due diligence teleconference or meeting requested by the Agent; and (ii) arranging for the participation of any experts, in any due diligence teleconference or meeting requested by the Agent.

(iv) The Agent undertakes to use all information it receives from the Company in connection with the Offering only for the purposes of the transactions contemplated herein and for no other purpose.

3. Covenants of the Company.

In addition to the covenants of the Company set out in the other paragraphs of this Agreement, the Company hereby covenants to and for the benefit of the Agent that:

(a) the Company shall use its commercially reasonable efforts to obtain all necessary approvals of the TSX-V for the listing and posting of the Common Shares for trading on the TSX-V, subject only to the filing of required documents which cannot reasonably be filed until after the Closing Time;

(b) the Company shall, for a period of 24 months from the Closing Date, use its commercially reasonable best efforts to maintain the listing of the Common Shares on the TSX-V, subject to the discretion of the board of directors to take such action as it deemed to be in the best interest of the Company and other than in connection with a take-over bid, amalgamation or other business combination transaction (whether by way of merger, plan or arrangement, consolidation, asset acquisition or disposition or other transaction) completed in accordance with applicable legislation, and the Company shall comply, in all material respects, with the rules and regulations thereof;

(c) the Company shall fulfil or shall cause to be fulfilled each of the conditions set out in paragraph 8 (except with respect to paragraphs (a), (b), and (c)) which the Company shall use its reasonable best efforts to fulfil and other than the condition in paragraph (o). For greater certainty, all items listed in paragraph 8 remain closing conditions and shall not be waived without the prior written consent of the Agent;

(d) the Company will deliver to the Agent copies of all correspondence and other written communications between the Company, the securities regulatory authorities of the Offering Jurisdictions and other jurisdictions and the TSX-V relating to the Offering and will generally keep the Agent apprised of the progress and status of, including all favourable and adverse developments relating to, the Offering;

(i) the Company shall use its commercially reasonable efforts to obtain, to the extent not already obtained, all consents and approvals from the securities regulatory authorities of the Offering Jurisdictions, and the TSX-V in connection with the Offering, in each case, on such terms as are mutually acceptable to the Company and the Agent, and shall make all necessary filings and give any required notices and use its commercially reasonable efforts to obtain all other necessary governmental, regulatory and other consents, authorizations and approvals required in connection with the Offering;

(ii) the Company shall fulfil all legal requirements to permit: (i) the creation, issue, offering and sale of the Debentures; (ii) the creation and issue of the Compensation Warrants; and (iii) the allotment, reservation and issue of the Conversion Shares and the Compensation Warrant Shares, as contemplated in this Agreement, including in compliance with the Applicable Laws to enable the Debentures to be offered for sale and sold under this Agreement and the Subscription Agreements and to enable the Conversion Shares and the Compensation Warrant Shares to be issued, in each case, without the necessity of filing a prospectus;

(iii) the Company shall use the net proceeds from the Offering for general corporate purposes;

(iv) ensure that at all times a sufficient number of Conversion Shares and Compensation Warrant Shares are allotted and reserved for issuance upon the due and proper conversion of the Debentures and exercise of the Compensation Warrants;

(v) at all times prior to the completion of the distribution of the Debentures, the Company shall continue to operate its business in the ordinary course, in material compliance with all Applicable Laws and shall notify the Agent of any material changes or changes of material fact in the respective businesses, affairs, operations, assets, prospects, condition (financial or otherwise), capital or liabilities (contingent or otherwise) of the Company; and

(vi) the Company shall forthwith notify the Agent of any breach of any covenant of this Agreement, or any Ancillary Documents by any party thereto, or upon it becoming aware that any representation or warranty of the Company contained in this Agreement, the Subscription Agreements or any Ancillary Document has become untrue or inaccurate in any material respect.

4. Material Changes During Distribution. During the period from the date hereof to the completion of the distribution and issuance of all of the Debentures, the Company shall, upon becoming aware of the same, promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) and provide full particulars to the Agent of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or capital of the Company. The Company shall promptly, and in any event, within any applicable time limitation periods prescribed by Canadian Securities Laws, comply with all applicable filing and other requirements under Canadian Securities Laws as a result of any such change, provided however, that the Company shall not file or publicly issue any document in respect of any such change without first providing the Agent with a copy of such document and an opportunity to review and comment thereon. The Company shall in good faith discuss with the Agent any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to this Section 4. The Parties agree that this Section 4 shall not operate to prohibit the Company from complying with its timely disclosure obligations under Applicable Laws and policies of the TSX-V.

5. Representations and Warranties of the Agent. The Agent represents and warrants to the Company, and acknowledges that the Company is relying upon such representations and warranties in completing the Closing, as of the Closing Time or as of such other time as is contemplated by any representation or warranty set forth below:

(a) the Agent is a validly created corporation with an office at the address set out in Section 14 hereof;

(b) the Agent is neither an insider, nor an associate of an insider of, the Company and is arm's length to the Company;

(c) the Agent is duly registered and in good standing with respect thereto as a broker-dealer under Applicable Laws in the jurisdictions in which purchasers or Debentures reside;

(d) the Agent has and shall maintain all business and professional licenses, registrations and permits necessary or appropriate, and agrees to obtain and maintain any such license, registration or permit that may hereafter become necessary or appropriate, under all applicable laws and regulations, and shall otherwise comply with all applicable laws and regulations to complete the services under this Agreement;

(e) the Agent shall conduct activities in connection with the Offering in compliance with all Applicable Laws in the jurisdictions in which it is carrying out activities in respect of the services contemplated hereunder and, without limitation, agrees that it will not make available to prospective purchasers of the Debentures any document or material which would constitute an offering memorandum as defined under Canadian Securities Laws in such jurisdictions;

(f) the Agent will not make any representations concerning the Company not authorized by the Company in writing or untrue statement of a material fact nor omit to state a material fact required to be stated or necessary to make any statement not misleading;

(g) the Agent shall not, directly or indirectly, solicit offers to purchase or sell the Debentures in a manner so as to require registration of the Debentures or filing or a prospectus with respect to such securities under the laws of any jurisdictions;

(h) the Agent has and shall not make any other contractual arrangements for the distribution of the Debentures without the prior consent of the Company;

(i) the Agent shall not advertise the proposed sale of the Debentures in printed media of general and regular paid circulation, radio television or telecommunications (including electronic display) or otherwise;

(j) the Agent shall obtain and deliver such agreements, documents and instruments to the Company together with such other documents with respect to the issue of the Debentures as may be required by the TSX-V or by Canadian Securities Laws; and

(k) the Agent shall at least one (1) business day prior to the date scheduled for the closing of the Offering, provide the Company with complete registration instructions for the Debentures.

6. Representations and Warranties of the Company. The Company represents and warrants to the Agent and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in completing the Closing, as of the Closing Time or as of such other time as is contemplated by any representation or warranty set forth below:

(a) the Company has been duly incorporated and is validly existing under the laws of Canada and has all requisite corporate power, capacity and authority to (i) own, lease and operate its assets and conduct its business as currently conducted or proposed to be conducted and to execute, deliver and carry out its obligations under this Agreement and all Ancillary Documents, and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder in accordance with the terms hereof and thereof, to (i) create, offer, issue and sell the Debentures in accordance with this Agreement, (ii) create and issue the Compensation Warrants in accordance with this Agreement, and (iii) to allot, reserve, issue and deliver the Conversion Shares and the Compensation Warrant Shares in accordance with this Agreement;

(b) the Company is (i) current with all material filings required to be made under its jurisdiction of incorporation and all other jurisdictions in which it exists or carries on any material business and (ii) has, and will upon completion of the Offering have, all necessary licences, leases, permits, authorizations and other approvals necessary to permit it to conduct its business as currently conducted or proposed to be conducted, except where the failure to make any filing or obtain any licence, lease, permit, authorization or other approval does not have a Material Adverse Effect;

(c) the Company has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Documents and to observe and perform the provisions of this Agreement and the Documents in accordance with the provisions hereof and thereunder including, the creation, issue, sale and delivery of the Debentures, the creation and issuance of the Compensation Warrants, the issue and delivery of the Conversion Shares upon conversion of the Debentures and the Compensation Warrant Shares upon the exercise of the Compensation Warrants;

(d) the Company has not committed an act of bankruptcy or is insolvent, has proposed a compromise or arrangement to its creditors generally, has had a petition or a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have itself declared bankrupt or wound-up, has taken any proceedings to have a receiver appointed for any of its property or has had any execution or distress become enforceable or become levied upon any of its property or assets;

(e) the authorized capital of the Company consists of an unlimited number of common shares, of which as of the date hereof, 84,831,729 Common Shares were issued and outstanding as fully paid and non-assessable shares. As of the date hereof, other than: (i) an aggregate of 6,446,000 options to acquire 6,446,000 Common Shares issued under the Company's stock option plan; and (ii) an aggregate of 9,102,938 warrants to purchase 9,102,938 Common Shares, and, other than pursuant to the Debentures and Compensation Warrants, no Person will have any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of the Company;

(f) there are no, and at the Closing Time there will be no, shareholders' agreements to which the Company is a party, and to the best knowledge of the Company there are no, and at the Closing Time there will be no, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the Company;

(g) all necessary corporate action has been taken by the Company to authorize the valid creation, issue and sale of, and the delivery and execution by the Company of certificates representing the (i) the Debentures, (ii) the Common Shares, and (iii) the Compensation Warrants;

(h) upon payment of the requisite consideration therefor the Debentures will be duly and validly issued, and the Compensation Warrants will be validly issued; upon conversion of the Debentures in accordance with the terms thereof, the Conversion Shares will be validly issued as fully paid and non-assessable common shares in the capital of the Company; upon exercise of the Compensation Warrants and payment of the requisite consideration therefor, the Compensation Warrant Shares will be validly issued as fully paid and non-assessable common shares in the capital of the Company;

(i) none of the: (i) authorization, issuance, sale and delivery of the Debentures, (ii) the authorization and issuance of the Compensation Warrants, (iii) the authorization and issuance of the Conversion Shares issuable upon the conversion of the Debentures, (iv) the authorization and issuance of the Compensation Warrant Shares issuable upon the exercise of the Compensation Warrants, (v) the execution and delivery of this Agreement and the Ancillary Documents, (vi) the compliance by the Company with the provisions of this Agreement and the Ancillary Documents, or (vii) the consummation of the transactions contemplated herein and therein including, do or will (X) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained, or (B) such as may be required under Applicable Laws including the Canadian Securities Laws and will be obtained in compliance with the requirements of Applicable Laws, including Canadian Securities Laws and the TSX-V, or (Y) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under (whether after notice or lapse of time or both), any indenture, mortgage, deed of trust, lease or other material agreement or instrument to which the Company is a party or by which any of them or any of the assets of the Company are bound, or the articles or by-laws or any other constating document of the Company or any resolution passed by the directors (or any committee thereof) or shareholders of the Company;

(j) at the Closing Time: (i) all necessary action will have been taken by the Company to create and duly issue (as the case may be) the Debentures, and the Compensation Warrants, and (ii) all necessary action will have been taken by the Company to duly allot and reserve for issuance the Conversion Shares and the Compensation Warrant Shares, and such securities will be duly allotted and reserved for issuance;

(k) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with the terms hereof and each of the Ancillary Documents has been duly authorized and, upon execution and delivery by the Company, will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;

(l) the Company has filed or will file following closing within the prescribed period with all applicable regulatory authorities all documents, including the Disclosure Documents, required under Applicable Laws, except for the National Instrument Form 45-106F1 – *Report of Exempt Distribution* to be filed pursuant to this Offering. The Disclosure Documents complied in all material respects with Canadian Securities Laws at the time they were filed. There is no material fact known to the Company which the Company has not disclosed to, or which the Company has withheld from, the Agent or which is not publicly disclosed in the Disclosure Documents and which results or may reasonably be expected to result in a Material Adverse Effect or which

materially adversely affects or which may reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under this Agreement or the Ancillary Documents;

(m) since December 31, 2013, there has not occurred any material adverse change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the assets, liabilities (contingent or otherwise), capital, affairs, prospects, business, operations or condition (financial or otherwise) of the Company which has not been publicly disclosed in a Disclosure Document;

(n) no order preventing, ceasing or suspending trading in any securities of the Company or prohibiting the issue and sale of securities by the Company has been issued and no proceedings for either of such purposes have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened;

(o) the Financial Statements and the notes thereto, present fairly, in all material respects, the financial position of the Company and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the Company for the periods specified in such Financial Statements, and have been prepared in conformity with International Financial Reporting Standards applied on a consistent basis throughout the periods involved, and there has been no material change in accounting policies or practices of the Company since December 31, 2013 except as disclosed in the Disclosure Documents;

(p) other than the Offering and other than as disclosed in the Disclosure Documents, since December 31, 2013, none of:

(i) the Company has paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;

(ii) the Company has incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material; and

(iii) the Company has entered into any material transaction;

(q) other than as disclosed in the Disclosure Documents, since December 31, 2013 the Company has not approved or has entered into any agreement in respect of, or has any knowledge of:

(i) the purchase of any material assets or any interest therein;

(ii) the sale, transfer or other disposition of any material assets or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares or otherwise; or

(iii) the change of control (by sale or transfer of shares or sale of all or substantially all of the assets of the Company or otherwise) of the Company;

(r) the Company has filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and the Company is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in a Material

Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or the payment of any material tax, governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or pending against the Company which could reasonably be expected to result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Company has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation;

(s) the Company has conducted and is conducting the business thereof in compliance in all material respects with all Applicable Laws, tariffs, orders and directives of each jurisdiction in which it carries on a material portion of its business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal, national or other regulatory agency or body necessary to carry on the business currently carried on and has no reason to believe that it will not receive any such approvals, consents, certificates, registrations, authorizations, permits and licenses necessary to carry on the business as contemplated to be carried on by it or as contemplated to be conducted, and the Company is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, registrations, authorizations, permits and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and the Company has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, registration, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, could reasonably be expected to result in a Material Adverse Effect. All such material approvals, consents, certificates, registrations, authorizations, permits and licenses are and will at the Closing Time be valid, subsisting and in good standing;

(t) the Company is not: (i) in violation of any term of the articles or by-laws or any constating document thereof, (ii) in violation of any term or provision of any material agreement, indenture or other instrument applicable to it which could reasonably be expected to result in any Material Adverse Effect, (iii) in default in the payment of any obligation owed which is now due other than as disclosed in the Disclosure Documents and there are no actions, suits, proceedings or investigations commenced, pending or, to the knowledge of the Company, threatened which, in the aggregate, could reasonably be expected to result in any Material Adverse Effect or in any material liability on the part of the Company, or which places, or could place, in question the validity of the Offering, or the validity or enforceability of this Agreement, the Ancillary Documents or any document or instrument delivered, or to be delivered, by the Company pursuant hereto or thereto;

(u) the Company is not in default of any material term, covenant or condition under or in respect of any judgement, order, material agreement or instrument to which it is a party or to which it or any of the assets of the Company are or may be subject, and to the knowledge of the Company after due inquiry, no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, material agreement, document or other instrument to which the Company is a party or by which it is otherwise bound

entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could result in a Material Adverse Effect;

(v) the Company is in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non-compliance could not reasonably be expected to result in a Material Adverse Effect, and there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or threatened against the Company;

(w) the Company:

(i) and the assets and operations thereof comply in all material respects with all applicable "**Environmental Laws**" (which term means and includes, without limitation, any and all applicable international, federal, provincial, state, municipal, national or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety or any environmental activity (which term means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a "**Contaminant**" (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));

(ii) does not have any knowledge of, and has not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect, either the Company or any of the assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Company has no knowledge of any facts which could reasonably be expected to give rise to any such claim or judicial or administrative proceeding and none of the Company, any of the assets or operations thereof, is the subject of any investigation, evaluation, audit or review by any "**Governmental Authority**" (which term means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing) to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

(iii) does not store any hazardous or toxic waste or substance and has not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and to the knowledge of the Company after due inquiry, there are no Contaminants on any of the premises of the Company other than in compliance with Environmental Laws; and

(iv) is not subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment (except for those derived from normal exploration activities) or non-compliance with Environmental Law;

(x) all material consents, approvals, permits, authorizations or filings as may be required under Applicable Laws necessary to the performance by the Company of its obligations under this Agreement and the Ancillary Documents will have been obtained at the Closing Time or will be obtained within the respective times prescribed by such Applicable Laws;

(y) provided the Agent and Purchasers comply with their obligations set forth in this Agreement and the Subscription Agreements (respectively), none of the execution and delivery by the Company of this Agreement and any Ancillary Documents, the performance by the Company of its obligations hereunder and thereunder, the creation and issuance of the Compensation Warrants, the creation, sale, issuance and delivery (as applicable) of the Debentures hereunder and the consummation of the transactions contemplated by this Agreement, including the allotment and reservation for issue of the Conversion Shares issuable upon conversion of the Debentures and the Compensation Warrant Shares issuable upon the exercise of the Compensation Warrants, will conflict with or result in a material breach or violation of any Applicable Laws;

(z) other than the Agent and except as may be consented to by the Agent, there is no Person acting or purporting to act at the request of the Company, who is entitled to any brokerage, finder's fee, commission or agency fee in connection with the transactions contemplated herein;

(aa) the Company maintains and will maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences;

(bb) the forms of the certificates representing the Common Shares, the Debentures and the Compensation Warrants have been duly approved by the Company and comply with the provisions of Applicable Law;

(cc) the Company is a reporting issuer or the equivalent thereof in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Quebec and is not in default of any of its obligations under Canadian Securities Laws of such provinces;

(dd) the Company is in material compliance with all rules, regulations and policies of the TSX-V; and

(ee) none of the Company nor any employee or agent of the Company has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by Applicable Laws.

7. Closing.

The purchase and sale of the Debentures shall be completed at the Closing Time at the offices of Osler, Hoskin & Harcourt LLP at 1000 De La Gauchetiere Street West, Suite 2100, Montreal, Quebec H3B 4W5, or at such other place as the Agent and the Company may agree upon. At the Closing Time, the Company shall deliver or cause to be executed and delivered (in the case of the issuance of uncertified securities issued through the CDSX Deposit system of CDS):

(i) to the Agent, definitive certificates representing the Debentures registered in accordance with the instructions of the Agent; and

(ii) to the Agent, definitive certificates representing the Compensation Warrants;

against payment by or on behalf of the Agent to the Company by wire transfer of the aggregate Purchase Price, less the Agent's Commission and the estimated out-of-pocket costs and expenses of the Agent, including the reasonable legal fees and disbursements of the Agent's legal counsel, each subject to section 10 hereof, as detailed by the Agent in writing.

8. Closing Conditions.

In addition to the deliveries contemplated by paragraph 7, each Purchaser's subscription to purchase the Debentures and the Agent's obligation to close the purchase of Debentures from the Company at the Closing Time shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

(a) the TSX-V shall have accepted notice of the issuance of, and conditionally approved the issuance and listing thereon of the Conversion Shares and the Compensation Warrant Shares, subject to the Company fulfilling the customary requirements as to the filing of certain documents and the payment of the necessary listing fees and subject to requisite shareholder approval, and provided that such acceptance and approval shall be on terms satisfactory to the Agent acting reasonably;

(b) the Company shall have made and/or obtained the necessary filings, approvals, consents and acceptances under applicable Canadian Securities Laws and the TSX-V required to be made or obtained prior to Closing by the Company in connection with the Offering on terms which are acceptable to the Agent, acting reasonably;

(c) the Agent shall have received, prior to or at the Closing Time, a copy of a conditional approval letter from the TSX-V, conditionally approving the listing of the Common Shares;

(d) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer of the Company addressed to the Agent and counsel to the Agent, or such other senior officer as may be acceptable to the Agent, certifying for and on behalf of the Company, to the best of the knowledge, information and belief of the person so signing, after having made due enquiry, but without personal liability, that:

(i) since December 31, 2013: (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, prospects, operations, assets, liabilities (contingent or otherwise), financial condition or capital of the Company taken as a whole and (B) no transaction has been entered into by the Company which is or would be material to the Company, except in each case as disclosed in the Disclosure Documents;

(ii) no order, ruling or determination having the effect of suspending or prohibiting the sale or ceasing the trading of the Debentures, the Common Shares, the Conversion Shares issuable upon the conversion of the Debentures, the Compensation Warrants and Compensation Warrant Shares issuable upon the exercise of the Compensation Warrants or other securities of the Company has been issued by any applicable regulatory authority in any applicable jurisdiction and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of such officers, are pending, contemplated or threatened by any applicable regulatory authority in any such jurisdiction; and

(iii) the Company has duly complied in all material respects (except for those qualified as to materiality which have been complied with in all respects) with all of its representations, warranties, covenants, and satisfied all of the terms and conditions, of this Agreement on its part to be complied with or satisfied up to the Closing Time (other than those which have been waived in writing by the Agent);

(e) the Agent shall have received at the Closing Time certificates dated the Closing Date, signed by appropriate officers of the Company addressed to the Agent and counsel to the Agent, in form and substance satisfactory to the Agent and its legal counsel, certifying:

(i) the constating documents of the Company;

(ii) all resolutions of the Company's board of directors relating to this Agreement and the Ancillary Documents;

(iii) the creation, issuance, offering, sale, delivery, allotment and reservation (as applicable) of the Debentures, the Conversion Shares issuable upon the conversion of the Debentures, the Compensation Warrants, and the Compensation Warrant Shares issuable upon the exercise of the Compensation Warrants, and the consummation of the respective transactions contemplated herein and therein;

(iv) the incumbency and specimen signatures of signing officers; and

(v) such other matters as the Agent may reasonably request;

(f) the Company's board of directors shall have authorized and approved this Agreement, and all Ancillary Documents pursuant to which the Debentures are to be issued, and the creation, offering, issue, delivery, sale allotment and reservation (as applicable) of the Conversion Shares issuable upon the conversion of the Debentures, the Compensation Warrants, and the Compensation Warrant Shares issuable upon the exercise of the Compensation Warrants, and all matters relating thereto;

(g) the Agent will obtain from each Purchaser a properly completed and duly executed Subscription Agreement, as applicable, and a properly completed and duly executed Accredited Investor Representation Letter, or Family, Friends and Business Associates Representation Letter, as applicable, shall have been accepted, executed and delivered by the Company;

(h) the Agent shall have received favourable legal opinions addressed to the Purchasers and the Agent and counsel to the Agent, in form and substance satisfactory to the Agent and its legal counsel, dated the Closing Date from Osler, Hoskin & Harcourt, LLP, counsel for the Company, as to the laws of Canada and of the Qualifying Jurisdictions in which Purchasers are resident at the Closing Time, provided that they may rely on opinions of local counsel of recognized

standing in such jurisdictions where they are not qualified to practice law, which counsel may rely as to factual matters only, on certificates of the Company's auditors, the Company's registrar and transfer agent, public and stock exchange officials and officers of the Company, which opinion shall address such matters as the Agent may reasonably request, including, without limitation:

(i) the Company being a corporation duly incorporated and validly existing under the federal laws of Canada;

(ii) the Company having the corporate capacity and power to own and lease its properties and assets and to carry on its business as now conducted and to undertake the Offering and to carry out all other obligations and transactions contemplated herein, including entering into, executing and delivering the Documents and carrying out its obligations thereunder;

(iii) all necessary corporate action having been taken by the Company to authorize the execution and delivery of each of the Documents and the performance of its obligations thereunder, and each of the Documents having been duly executed and delivered by the Company and is enforceable against, the Company in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity, contribution and waiver of contribution);

(iv) that the Debenture Agent has been duly appointed by the Company as registrar and transfer agent for the Common Shares;

(v) that the Debenture Agent has been duly appointed by the Company as registrar and transfer agent for the Debentures, and the Debenture Indenture has been authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against it in accordance with the terms thereof;

(vi) the execution and delivery by the Company of the Documents, the fulfillment of the terms thereof by the Company and the issue and delivery on the Closing Date of the Debentures and the Compensation Warrants as contemplated herein do not constitute or result in a breach of or a default under, and do not create a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles or by-laws of the Company;

(vii) the Debentures, the Conversion Shares, the Compensation Warrants, and the Compensation Warrant Shares having been authorized and allotted for issuance and when issued being fully paid and non-assessable;

(viii) the TSX-V having conditionally accepted the listing of the Conversion Shares issuable upon conversion of the Debentures and the Compensation Warrant Shares issuable upon exercise of the Compensation Warrants;

(ix) as of the Closing Date, the authorized share capital of the Company consists of an unlimited number of Common Shares of which 84,831,729 Common Shares were issued and outstanding immediately prior to giving effect to the Offering;

(x) the Company is not on the list of defaulting issuers maintained in the jurisdiction of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec;

(xi) the offering, issuance and sale of the Debentures to the Purchasers and the issuance of the Compensation Warrants in accordance with the terms and conditions of the Documents having been effected in such a manner as to be exempt from the prospectus requirements of the Canadian Applicable Securities Laws, and no prospectus or other document being required to be filed, no proceedings being required to be taken and no approvals, permits, consents, orders or authorizations of any regulatory authority being required to be obtained by the Company under the Canadian Applicable Securities Laws to permit such offering, issuance and sale, other than the filing within 10 days after the date of the distribution, the report on Form 45-106F1 prepared and executed in accordance with National Instrument 45-106, together with the fees prescribed by Canadian Applicable Securities Laws; and

(xii) the issuance of the Conversion Shares upon conversion of the Debentures, and issuance of the Compensation Warrant Shares upon exercise of the Compensation Warrants by a holder resident in a Canadian Qualifying Jurisdiction or the Agent (as applicable) not being a distribution subject to prospectus requirements pursuant to Canadian Applicable Securities Laws subject to the usual qualifications;

(xiii) the first trade by the Purchasers or the Agent (as applicable) of the Conversion Shares issuable upon conversion of the Debentures, and the Compensation Warrant Shares issuable upon exercise of the Compensation Warrants by a holder resident in a Canadian Qualifying Jurisdiction or the Agent (as applicable) not being a distribution subject to prospectus requirements pursuant to Canadian Applicable Securities Laws subject to the usual qualifications and provided that at least four months and one day has elapsed from the date of distribution of the securities;

(i) if any Debentures are sold in the United States or to, or for the account or benefit of, a U.S. Person, the Agent shall have received at the Closing Time a legal opinion of the Company's United States legal counsel, addressed to the Agent and counsel to the Agent, to the effect that it is not necessary in connection with the offer and sale of the Debentures to the U.S. Purchasers to register the Debentures offered and sold to U.S. Purchasers under the U.S. Securities Act, it being understood that no opinion shall be required as to any resale of any Debentures, Conversion Shares or Warrant Shares;

(j) the Agent shall have received from the Company and/or its counsel a certificate of compliance for the Company, dated the day before the Closing Date;

(k) the Agent shall have received a certificate of the Company's registrar that certifies the number of Common Shares issued and outstanding on the date immediately prior to the Closing Date;

(l) the Offering shall be conditionally approved by the TSX-V on the Closing Date;

(m) the Company shall have fulfilled to the satisfaction of the Agent all covenants set forth in paragraph 3 that are required to be satisfied by it on or prior to the Closing Time;

(n) the Debentures shall not being subject to a hold period longer than the Hold Period; and

(o) the Agent shall not have terminated its obligations under this Agreement pursuant to paragraph 9.

9. Rights of Termination.

(a) The Agent shall be entitled, at its sole option, to terminate and cancel, without any liability on the part of the Agent, all of its obligations under this Agreement and the obligations of any Purchaser to purchase the Debentures, by notice in writing to that effect delivered to the Company prior to or at the Closing Time if:

(i) any enquiry, action, suit, investigation or other proceeding whether formal or informal (including matters of regulatory transgression or unlawful conduct) is instituted, announced or threatened, or any order or ruling is made by any federal, provincial or other governmental authority or the TSX-V, any securities regulatory authority, in relation to or against the Company, or any directors or officers of principal shareholders thereof; or

(ii) there should develop, occur or come into effect any occurrence, event or incident of any nature, including without limitation, an accident, natural disaster, act of terrorism, public protest, governmental law or regulation, or financial occurrence of national or international consequence, which in the sole opinion of the Agent adversely affects or involves, or may adversely affect or involve, the national or international financial markets or the properties, operations, business, affairs, prospects, financial condition or assets of the Company, or the market price or value or marketability of the securities of the Company; or

(iii) there is, in the reasonable opinion of the Agent, any material change in relation to the Company or any Property or if there should, whether as a result of the Agent's continuing due diligence or otherwise, be discovered any previously undisclosed material fact or if there should occur a change in any material fact or a new material fact should arise (including in respect of any change in Applicable Laws, including tax laws), such as is contemplated by paragraph 4, which in any case, in the reasonable opinion of the Agent, has or could reasonably be expected to have a Material Adverse Effect; or

(iv) the Company is in breach of a material term, condition or covenant of this Agreement required to be fulfilled at or prior to the Closing Time (the Company agreeing that all terms and conditions in this Agreement to be fulfilled at or prior to the Closing Time shall be construed as conditions and complied with so far as the same relate to acts to be performed or caused to be performed by it, that it will cause such conditions to be complied with in accordance with section 3 hereof, and that the Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions of this Agreement without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if the same is in writing); or

(v) there should develop, occur or come into effect or existence any occurrence in any financial market, including the Canadian, United States or any international financial market(s), which, in the sole opinion of the Agent, acting reasonably, materially adversely affects or may materially adversely affect the marketability of the Debentures such that, in the sole opinion of the Agent, acting reasonably, the Debentures cannot be profitably marketed; or

(vi) the Company is in breach of any material term of any Ancillary Document or if any of the representations or warranties in this Agreement (including any of the representation and

warranties incorporated by reference herein) or in any Ancillary Document delivered by the Company in connection with the Offering is false or untrue or has become false or untrue; or

(vii) any condition precedent set out in paragraph 8 remains outstanding and uncompleted at the Closing Time.

(b) The rights of termination contained in paragraph 9(a) may be exercised by the Agent and are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the Agent to the Company or on the part of the Company to the Agent except in respect of any liability or obligation which may have arisen or arises after such termination under paragraphs, 10, (a) and 12, which paragraphs shall survive the termination of this Agreement for a period of three (3) years following the Closing Date.

(c) The Agent shall use commercially reasonable efforts to give the notice to the Company as contemplated by paragraph 9(a) of the occurrence of any of the events or circumstances referred to therein, provided that neither the giving nor the failure to give such notice shall in any way affect the Agent's entitlement to exercise their rights contained in paragraph 9(a) at any time through to the Closing Time.

10. Fees and Expenses.

(a) In consideration for all arrangements and distribution services rendered by the Agent in connection with the Offering, the Company shall pay to the Agent at Closing Time a commission equal to (i) 6.5% of the gross proceeds from the sale of the Debentures placed by the Agent, and (ii) 1.0% of the gross proceeds from the sale of the Debentures directed by the Company for placement (the "**Agent's Commission**") and all fees and disbursements of the Agent's legal counsel (to a maximum of $20,000, inclusive of applicable taxes), expenses to the Offering, filing, selling, marketing, and the out-of-pocket expenses of the Agent (including those incurred in connection with due diligence) (to a maximum of $5,000, inclusive of applicable taxes). The Company shall only pay applicable HST on such amounts.

(b) As additional consideration, the Company will issue to the Agent at the Closing Time compensation warrants (the "**Compensation Warrants"**), registered in such name or names as the Agent may direct in writing, entitling the Agent to purchase the number of common shares equal to 5.0% of the principal amount of Debentures sold under the Offering by the Agent and exclusive of Debentures directed for placement by the Company, divided by $0.60. Each Compensation Warrant will entitle the Agent to purchase one common share (an "**Compensation Warrant Share,** and collectively, the **"Compensation Warrant Shares**") at a price of Cdn.$0.60 at any time following the Closing Date until 5:00 p.m. (Toronto time) on the date which is 24 months after the Closing Date.

(c) Whether or not the transactions contemplated herein shall be completed, all reasonable expenses of, or incidental to, the issue and delivery of the Debentures and of, or incidental to, all matters in connection with the transactions herein set out shall be borne by the Company including, without limitation, expenses in connection with the issuance and sale of the Debentures, all private placement fees required under Canadian Securities Laws, all filing fees in connection with the qualification of the Debentures, the Compensation Warrants, and the Compensation Warrant Shares for distribution in the Offering Jurisdictions, the fees and expenses of counsel to the Company and all local counsel selected by the Company, all TSX-V and any other listing fees, all

fees and expenses of the Company's auditors, all reasonable costs and expenses of the Agent (including all reasonable travel, meals and accommodation expenses in connection with road show presentations, selling, marketing and due diligence and the out-of-pocket expenses of the Agent) (to a maximum of $5,000, exclusive of applicable taxes) and all disbursements, fees and expenses of legal counsel to the Agent in all jurisdictions (up to a maximum amount of $20,000, exclusive of disbursements and applicable taxes). Costs and expenses of the Agent will be payable by the Company in addition to any other fees payable under this Agreement and will be payable at the Closing Time with any additional costs and expenses incurred after the Closing to be paid immediately upon invoice from the Agent to the Company thereof. In the event that the Offering is not completed for any reason whatsoever, or the Agent has terminated this Agreement pursuant to paragraph 9, the Company shall be responsible for the payment of all of the expenses of the Agent otherwise payable by the Company under this Section 10(c). The Company shall only pay applicable HST on the amounts payable under this Section 10(c).

(d) All or part of any of the commission, fees and other expenses to be paid to the Agent under this Agreement may be subject to applicable taxes in which event a corresponding additional amount will be payable by the Company to the Agent.

(e) The Agent acknowledges that none of the Compensation Warrants or the Compensation Warrant Shares have been registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Compensation Warrants or the Compensation Warrant Shares the Agent represents, warrants and covenants that (i) it is acquiring Compensation Warrants or the Compensation Warrant Shares as principal for its own account and not for the benefit of any other person; (ii) it is not a U.S. Person and is not acquiring the Compensation Warrants in the United States, or on behalf of a U.S. Person or a person located in the United States; and (iii) this Agreement was executed and delivered outside the United States. The Agent acknowledges and agrees that the Compensation Warrants may not be exercised in the United States or by or on behalf or for the benefit of a U.S. Person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act or the applicable securities laws of any state of the United States. The Agent agrees that they will not engage in any Directed Selling Efforts with respect to any Compensation Warrant Shares, and will not offer or sell any Compensation Warrants or the Compensation Warrant Shares in the United States unless in compliance with an exemption or an exclusion from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

11. Survival of Representations and Warranties. All warranties, representations, covenants and agreements herein contained or contained in any Ancillary Documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated as incorporated by reference herein, and all obligations of the Company under paragraphs 12, 15 and 17 of this Agreement, shall survive the issuance and sale of the Common Shares, the Warrants, the Warrant Shares, the Compensation Warrants and the Compensation Warrant Shares and continue in full force and effect for the benefit of the Agent and the Purchasers in accordance with the terms hereof and shall not be limited or prejudiced by any investigation made by, or on behalf of, the Agent in connection with the issuance and sale of the Debentures or otherwise. All warranties, representations, covenants and agreements provided herein incorporated by reference herein shall survive for a period of three (3) years following the Closing Date.

12. Indemnity and Contribution.

(a) The Company (the "**Indemnifier**") agrees to indemnify and hold harmless the Agent and its respective affiliates, and each of their respective directors, officers, employees and agents (collectively, the "**Indemnified Parties**" and each an "**Indemnified Party**") to the full extent lawful, from and against all expenses, losses, damages and liabilities of any nature (including the

reasonable fees and expenses of their respective counsel and other expenses, but not including any amount for lost profits) (collectively, "**Losses**") that are incurred in investigating, defending and/or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party (collectively, the "**Claims**") or to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims arise out of or are based upon, directly or indirectly, the Offering together with any Losses that are incurred in enforcing this indemnity. This indemnity shall not be available to an Indemnified Party in respect of Losses incurred where a court of competent jurisdiction in a final judgement that has become non-appealable determines that such Looses resulted solely from the negligence or wilful misconduct of the Indemnified Party;

(b) if for any reason (other than a determination as to any of the events referred to above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the Losses paid or payable by an Indemnified Party as a result of such Claim, the amount (if any) equal to (i) such amount paid or payable, minus (ii) the amount of the fees received by the Indemnified Party, if any, under the Offering;

(c) the Indemnitor agrees that in case any legal proceeding shall be brought against, or an investigation is commenced in respect of, the Indemnitor and/or and Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of the Offering, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and out-of-pocket expenses incurred by the personnel in connection therewith) shall be paid by the Indemnitor as they occur;

(d) the Agent will notify the Indemnitor promptly in writing after receiving notice of an action, suit, proceeding or claim against it or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, stating the particulars thereof, will provide copies of all relevant documentation to the Indemnitor and, unless the Indemnitor assumes the defence thereof, will keep the Indemnitor advised of the progress thereof and will discuss all significant actions proposed. The omission to so notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability under this indemnity which the Indemnitor would otherwise have incurred had there not been such delay in giving, or failure to give, the notice required hereunder;

(e) the Indemnitor shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by experienced and competent counsel. Upon the Indemnitor notifying the Agent in writing of its election to assume the defence and retaining counsel, the Indemnitor shall not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such

defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the relevant Indemnified Parties advised of the progress thereof and will discuss with the Agent all significant actions proposed;

(f) notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of the Claim if: (i) the employment of such counsel has been authorized by the Indemnitor; or (ii) the Indemnitor has not assumed the defence and employed counsel therefor promptly after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf) or that there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the Claim may not fall within that indemnity set forth herein (in any of which events the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf), provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties. No admission of liability and no settlement of any Claim shall be made by the Indemnitor without the prior written consent of the Indemnified Parties affected (which consent may not be unreasonably withheld) unless such settlement includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by any Indemnified Party;

(g) the Indemnitor hereby acknowledges that the Agent acts as trustee for the other Indemnified Parties of the Indemnitor's covenants under this indemnity and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons; and

(h) the indemnity and contribution obligations of the Indemnitor in this section 12 shall be in addition to any liability which the Indemnitor may otherwise have (including under the Offering), shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, permitted assigns, heirs and personal representatives of the Indemnitor, the Agent and any other Indemnified Party.

13. Press Releases and Advertisements. The Company acknowledges that the Agent shall have the right, at their own expense, to place such advertisement(s) or press releases relating to and following the completion of the sale of the Debentures contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by Applicable Law. The Company and the Agent each agree that it will not make or publish any advertisement or press release in any media whatsoever relating to, or otherwise publicizing, the Offering so as to result in any exemption from the prospectus and registration requirements of applicable Canadian Securities Laws being unavailable in respect of the issue and sale of the Debentures to prospective purchasers. Subject to compliance with Applicable Law, any press release or advertisement of the Company or the Agent relating to the Offering will be provided in advance to the other party hereto and such other party will use its reasonable commercial efforts to agree to the form and substance thereof with the other party prior to the release thereof.

14. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Company, at:

PyroGenesis Canada Inc.
1744 William Street, Suite 200
Montreal, Québec H3J 1R4

Attention: Vanessa Romano
Facsimile: (514) 937-5757

and, in respect of any notice given to the Company, with a copy to:

Osler, Hoskin & Harcourt LLP
1000 De La Gauchetiere Street West, Suite 2100
Montreal, Quebec H3B 4W5

Attention: Jeremy Brisset
Facsimile: (514) 904-8101

If to the Agent, at:

Pope & Company Limited
40 University Ave, Suite 420
Toronto, Ontario M5J 1T1

Attention: Matthew D. Schmidt
Facsimile: (416) 593-5099

and, in respect of any notice given to the Agent, with a copy to:

Peterson Law Professional Corporation
390 Bay Street, Suite 806
Toronto, Ontario M5H 2Y2

Attention: Dennis Peterson
Facsimile: (647) 259-1785

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and a notice which is sent by facsimile transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

15. Time of the Essence. Time shall, in all respects, be of the essence hereof.

16. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

17. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

18. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agent and the Purchasers and their respective successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by either party without the prior written consent of the other.

19. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

20. Effective Date. This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

21. Counterparts and Facsimile Execution. This Agreement may be executed in any number of counterparts, which taken together shall form one and the same agreement. This Agreement may be executed by one or more of the parties by facsimile transmitted signature or by e-mail in Portable Document Format ("**PDF**") and all parties agree that the reproduction of signature by way of facsimile or by e-mail in PDF will be treated as though such reproductions were executed originals.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein and the parties hereto attorn to the non-exclusive jurisdiction of the courts of such province in connection with all matters arising hereunder.

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this letter where indicated below and delivering the same to the Agent.

Yours very truly,

POPE & COMPANY LIMITED

By: *(s) Matthew D. Schmidt*
Name: Matthew D. Schmidt
Title: Vice-President, Investment Banking

The foregoing is hereby accepted on the terms and conditions herein set forth.

DATED as of the 30th day of March 2015.

PYROGENESIS CANADA INC.

By: *(s) P. Peter Pascali*
Name: P. Peter Pascali
Title: President and Chief Executive Officer

SCHEDULE "A"
TERM SHEET
PYROGENESIS CANADA INC.
Brokered Private Placement of Securities

Issuer:	PyroGenesis Canada Inc. ("PyroGenesis" or the "Company")
Offering:	Convertible Subordinated Unsecured Debentures (the "Debentures" or the "Offered Securities").
Amount:	Up to CAD$4,000,000
Maturity:	The Debentures will mature in 3 years following the last day of the month in which the Closing occurs (the "Maturity Date").
Coupon:	The Debentures will bear interest at a rate of 7.5% per annum, payable quarter-annually.
Conversion:	The Debentures will be convertible into Common Shares of the Company ("Common Shares") at the option of the holder at any time prior to Maturity at a conversion price of $0.80 per Common Share being a conversion rate of 1,250 Common Shares per $1,000 principal amount of Debentures. No fractional Common Shares will be issued on Conversion but in lieu thereof, the Company shall satisfy fractional interests by a cash payment equal to the price of any fractional interest.
Early Redemption:	The Corporation may redeem the Debenture at any time prior to the Maturity Date by paying to the Holder a redemption price (the "Redemption Price") equal to: (i) the entirety of the Principal Amount, (ii) any interest accrued thereon as of the Redemption Date, and (iii) any interest to be accrued (but not yet accrued as of the Redemption Date) thereon up until the Maturity Date. In the event that the average Market Price of the Common Shares over the course of the 20 trading days immediately preceding the date of the Redemption Notice is equal to or greater than $1.20, then the Redemption Price shall be calculated as comprising (i) the entirety of the Principal Amount and (ii) any interest accrued thereon as of the Redemption Date only.
Payment Upon Maturity:	In cash or Common Shares at the option of the holder. Any accrued and unpaid interest thereon will be paid in cash. No fractional Common Shares will be issued on Maturity but in lieu thereof, the Company shall satisfy fractional interests by a cash payment equal to the price of any fractional interest.
Ranking:	The Debentures will be subordinated in right of payment of principal and interest to all senior obligations of the Company.
Use of Proceeds:	The net proceeds from the sale of the Offering will be used for general corporate purposes.
Type of Offering:	Private placement on a "best-efforts" basis sold to Accredited Investors.

Selling Jurisdictions:	Ontario, Quebec and such other jurisdictions within and outside of Canada as may be agreed to by the Agent and the Company (collectively, the "Qualifying Jurisdictions")
Lead Agent:	Pope & Company Limited (the "Agent"). With the consent of the Corporation, the Agent may appoint a selling group consisting of other co-agents or sub-agents who are registered dealers.
Closing Date:	On or about March 27, 2015 or such other date as agreed to by the Agent(s) and the Company.