EXECUTION COPY

AGENCY AGREEMENT

May 22, 2014

PyroGenesis Canada Inc.
1744, William St., Suite 200
Montréal, QC H3J 1R4

Attention: P. Peter Pascali, President and Chief Executive Officer

Dear Sirs:

The undersigned, Mackie Research Capital Corporation (the "**Agent**"), understands that PyroGenesis Canada Inc. (the "**Company**") proposes to issue and sell up to 4,645,699 units of the Company (the "**Units**") at a price of $0.60 (the "**Subscription Price**") per Unit for aggregate gross proceeds of up to $2,787,419.40 (the "**Offering**"). Each Unit shall consist of one Common Share (as hereinafter defined) (a "**Unit Share**" and together, "**Unit Shares**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one additional Common Share (a "**Warrant Share**") at a price of $0.85 per Warrant Share until the earlier of: (i) the Expiry Date (as hereinafter defined); and (ii) if the Company exercises the Acceleration Right (as hereinafter defined), the Early Expiry Date (as hereinafter defined).

The Agent acknowledges and understands that, concurrently with and in addition to the Offering, the Corporation proposes to issue and sell an additional 1,166,667 Units at the Purchase Price, for additional gross proceeds of $700,000 on a non-brokered private placement basis (the "**Non-Brokered Offering**"). Notwithstanding anything to the contrary in this Agreement, the Agent has not acted and shall not act, as agent in respect of the issue and sale of any Units pursuant to the Non-Brokered Offering.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof, the Company hereby appoints the Agent, as the Company's exclusive agent, to offer for sale by way of private placement on a "best efforts" basis, without underwriter liability, the Units to be issued and sold pursuant to the Offering and the Agent agrees to arrange for purchasers of the Units in the Selling Jurisdictions (as hereinafter defined) to purchase the Units from the Company.

As consideration for the services to be rendered by the Agent in connection with the Offering, the Company shall pay to the Agent at the Closing Time (as hereinafter defined) the Agent's Fee (as hereinafter defined) and deliver the Compensation Options (as hereinafter defined) as set out in Section 11 hereto. The obligation of the Company to pay the Agent's Fee and issue the Compensation Options shall arise at the Closing Time and the Agent's Fee and the Compensation Options shall be fully earned by the Agent upon the completion of the Offering.

The Agent shall be entitled to appoint a soliciting dealer group consisting of other registered dealers acceptable to the Company for the purpose of arranging for purchases of the Units.

Offers and sales of Units in the United States or to, or for the account or benefit of, a U.S. Person (as defined herein) may only be made to persons that are "accredited investors", as defined in NI 45-106, and are also U.S. Accredited Investors (as defined herein) in accordance with Schedule "C" hereof through a U.S. Affiliate (as defined herein) or by the Company directly, in either case pursuant to and in compliance with the exemption from the registration requirements of the U.S. Securities Act (as defined herein) provided by Rule 506 of Regulation D under the U.S. Securities Act and similar exemptions from the Securities Laws of the states of the United States, as applicable. The Agent and the Company acknowledge that Schedule "C" forms part of this Agreement.

DEFINITIONS

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

"**Acceleration Right**" means the right of the Company to, within 20 days of the occurrence of the Early Expiry Event, accelerate the expiry date of the Warrants to the Early Expiry Date, as more particularly described in the Warrant Indenture;

"**Act**" means the *Canada Business Corporations Act*;

"**Affiliates**" means the affiliates of the Agent;

"**Agent's Fee**" means, in the aggregate, a cash fee payable to the Agent equal to 7.0% of the aggregate gross proceeds of the Offering (which, for greater certainty, excludes the Non-Brokered Offering), except in the case of subscriptions for Units from Purchasers on the President's List, in respect of which the Agent will be entitled to a cash fee of 3.5% of the aggregate gross proceeds from such subscriptions;

"**Aggregate Subscription Price**" means the aggregate subscription proceeds from the sale and issue of the Units;

"**Agreement**" means this agreement, being the agreement resulting from the acceptance by the Company of the offer made by the Agent hereby;

"**Amalgamation**" amalgamation between Industrial Growth Income Corporation, a predecessor entity to the Company, and the Predecessor;

"**Applicable Law**" means all applicable federal, provincial, state and local laws and regulations of authorities having jurisdiction over the Company or the Agent, as applicable;

"**Business**" means the business of designing and engineering plasma-based waste treatment and waste-to-energy systems, as conducted by the Company;

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Toronto, Ontario are not open for business;

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

"**Closing**" means the completion of the purchase and sale of the Units as contemplated by this Agreement and the Subscription Agreements;

"**Closing Date**" means the day on which the Closing shall occur, being May 22, 2014 or such other date as the Agent and the Company may determine;

"**Closing Time**" means 9:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Agent may determine;

"**Common Shares**" means the common shares in the capital of the Company;

"**Company**" has the meaning ascribed to such term on the face page of this Agreement;

"**Compensation Option Certificates**" means the certificates representing the Compensation Options and containing the terms thereof;

"**Compensation Options**" means the Compensation Options to be issued to the Agent at the Closing Time, which shall entitle the Agent to subscribe for that number of Compensation Units as is equal to 7.0% of the number of Units sold pursuant to the Offering (which, for greater certainty, excludes the Non-Brokered Offering) at the Subscription Price until the Expiry Date, except in the case of subscriptions for Units from Purchasers on the President's List, in respect of which the Agent will be entitled to that number of Compensation Options as is equal to 3.5% of the number of Units sold to such Purchasers;

"**Compensation Shares**" means the Common Shares composing part of the Compensation Units issuable upon exercise of the Compensation Options;

"**Compensation Securities**" means collectively, the Compensation Options, Compensation Shares, Compensation Warrants and Compensation Warrant Shares;

"**Compensation Warrant Shares**" means the Common Shares issuable upon exercise of the Compensation Warrants;

"**Compensation Warrants**" means the Warrants composing part of the Compensation Units, issuable upon exercise of the Compensation Options;

"**Compensation Units**" means the Units issuable upon exercise of the Compensation Options;

"**Debt Instrument**" means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Company is a party or otherwise bound and which is material to the Company;

"**Early Expiry Date**" means the date that is 20 days following the date Warrantholders are deemed to receive notice that the Company is exercising the Acceleration Right;

"**Early Expiry Event**" means the first time the Common Shares have, on the TSXV, or on such other stock exchange on which the greatest volume of Common Shares may be trading, a closing price at or above $1.20 per Common Share for a period of 20 consecutive trading days after the date that is at least four months and one day following the Closing Date;

"**Environmental Laws**" has the meaning ascribed to such term in Section 4(a)(xli) hereof;

"**Environmental Permits**" has the meaning ascribed to such term in Section 4(a)(xlii) hereof;

"**Expiry Date**" means November 22, 2015;

"**Financial Statements**" has the meaning ascribed to such term in Section 4(a)(xviii) hereof;

"**Hazardous Substance**s" has the meaning ascribed to such term in Section 4(a)(xli)hereof;

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

"**Intellectual Property**" has the meaning ascribed to such term in Section 4(a)(lii)(A);

"**knowledge**" means, as it pertains to the Company, the actual knowledge of the President and Chief Executive Officer, the Chief Operating Officer, the Executive Vice-President and Corporate Secretary in office as at the date of this Agreement, after due enquiry;

"**Leased Premises**" means the premises which are material to the Company and which the Company occupies as a tenant;

"**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that, in substance, secures payment or performance of an obligation;

"**Material Adverse Effect**" means any materially adverse change in or effect on the Business, assets or properties, affairs, liabilities (contingent or otherwise), results of operations, capital or condition (financial or otherwise) or prospects of the Company;

"**Material Agreement**" means any material contract, commitment, agreement (written or oral), instrument, lease or other document (including option agreements), including licence agreements and agreements relating to Intellectual Property, to which the Company is a party or otherwise bound and which is material to the Company;

"**misrepresentation**", "**material fact**", "**material change**", "**affiliate**", "**associate**", and "**distribution**" have the respective meanings ascribed thereto in the *Securities Act* (Ontario) in effect on the date hereof;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions* and, for the purposes of Québec, Regulation 45-106 respecting prospectus and registration exemptions CQLR c V-1.1, r 21;

"**Non-Brokered Offering**" has the meaning ascribed to such term on the face page of this Agreement;

"**Offering**" has the meaning ascribed to such term on the face page of this Agreement;

"**Owned Intellectual Property**" has the meaning ascribed to such term in Section 4(a)(lii)(C);

"**Person**" includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

"**Predecessor**" means PyroGenesis Canada Inc., a predecessor entity to the Corporation;

"**President's List**" means those Purchasers introduced to the Offering by the Company;

"**Public Disclosure Documents**" means, collectively, all of the documents which have been filed by or on behalf of the Company prior to the Closing Time with the relevant Securities Regulators pursuant to the requirements of Securities Laws, including all documents filed on SEDAR at www.sedar.com;

"**Purchasers**" means the persons who, as purchasers or beneficial purchasers, acquire the Units by duly completing, executing and delivering the Subscription Agreements and any other required documentation;

"**Securities Laws**" means as applicable, the securities laws, regulations, rules, blanket rulings, policies, notices, interpretation notes, orders and multilateral or national instruments adopted by, the Securities Regulators of all of the Selling Jurisdictions or, as the context may require, any one or more of the Selling Jurisdictions, and the rules of the TSXV;

"**Securities Regulators**" means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

"**Selling Jurisdictions**" means the provinces and territories of Canada, the United States, and such other jurisdictions outside of Canada and the United States as may be agreed to by the Agent and the Company;

"**Subscription Agreements**" means, collectively, the subscription agreements for the Units, in the form agreed upon by the Agent and the Company pursuant to which Purchasers agree to subscribe for and purchase the Units pursuant to the Offering as herein contemplated and shall include, for greater certainty, all schedules thereto; and "**Subscription Agreement**" means any one of them, as the context requires;

"**Subscription Price**" has the meaning ascribed to such term on the face page of this Agreement;

"**Taxes**" has the meaning ascribed to such term in Section 4(a)(xxx) hereof;

"**Transfer Agent**" means Canadian Stock Transfer Company Inc., in its capacity as transfer agent and registrar of the Company at its principal office in the City of Montréal, Québec;

"**TSXV**" means the TSX Venture Exchange;

"**Unit**s" has the meaning ascribed to such term on the face page of this Agreement;

"**Unit Shares**" has the meaning ascribed to such term on the face page of this Agreement;

"**United States**" and "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Accredited Investors**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

"**U.S. Affiliate**" means the duly registered United States broker-dealer affiliate of the Agent;

"**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulations S under the United States Securities Act of 1933, as amended;

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

"**Warrant Agent**" means CST Trust Company;

"**Warrant Indenture**" means the warrant indenture entered into between the Company and the Warrant Agent governing the terms of the Warrants dated as of the Closing Date, as may be amended from time to time;

"**Warrant**" has the meaning ascribed to such term on the face page of this Agreement; and

"**Warrant Share**" has the meaning ascribed to such term on the face page of this Agreement.

TERMS AND CONDITIONS

1. (a) Sale on Exempt Basis. The Agent shall offer for sale and sell the Units pursuant to the Offering in the Selling Jurisdictions on a private placement basis in compliance with all applicable Securities Laws such that the offer and sale of the Units does not obligate the Company to file a prospectus, registration statement, or other offering document, or deliver an offering memorandum or other offering document under applicable Securities Laws.

(b) Filings. The Company agrees to comply with all applicable Securities Laws on a timely basis in connection with the Offering and undertakes to file, or cause to be filed, within the periods stipulated under applicable Securities Laws, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Units so that the distribution of the Units may

lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum in any Selling Jurisdiction, and the Agent undertakes to use commercially reasonable efforts to cause Purchasers (that are not on the President's List or participating in the Non-Brokered Offering) to complete any forms required by Securities Laws. All fees payable in connection with such filings shall be at the expense of the Company.

(c) No Offering Memorandum. Neither the Company nor the Agent shall (i) provide to prospective purchasers of the Units any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Securities Laws; or (ii) engage in any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act in connection with the offer and sale of the Units, including but not limited to, causing the sale of the Units 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, the internet or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or general advertising.

(d) United States Offers and Sales. The Company and the Agent acknowledge and agree that the Units, the Unit Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any state Securities Laws and may be offered or sold in the United States only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act. The Company and the Agent further agree that any offers, sales and purchases of the Units in the United States: (i) will be made in accordance with Schedule "C" (which schedule is incorporated into and forms part of this Agreement). Each of the Company and the Agent agree that the representations, warranties and covenants contained in Schedule "C" to this Agreement entitled "United States Offers and Sales" are incorporated by reference in and shall form part of this Agreement with respect to offers and sales of Units in the United States.

2. (a) Covenants. The Company hereby covenants to the Agent and to the Purchasers and their permitted assigns, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Units, that the Company (including its successors and assigns if applicable) will:

(i) use its best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Securities Laws in the Province of Ontario until the date that is two years following the Closing Date, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be a "reporting issuer" so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSXV;

(ii) allow the Agent and its representatives the opportunity to conduct all due diligence which the Agent may reasonably require to be conducted prior to the Closing Date;

(iii) duly execute and deliver this Agreement, the Subscription Agreements, the Warrant Indenture and the Compensation Option Certificates at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;

(iv) fulfill or cause to be fulfilled, at or prior to the Closing Date, each of the conditions set out in Section 6;

(v) ensure that the Unit Shares, upon issuance, shall be duly issued as fully paid and non-assessable Common Shares, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;

(vi) ensure that the Warrants, upon issuance, shall be duly and validly created, authorized and issued and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Warrant Indenture;

(vii) ensure that at all times prior to the Expiry Date or Early Expiry Date, whichever is earlier, sufficient Warrant Shares are allotted and reserved for issuance upon the due and proper exercise of the Warrants and ensure that the Warrant Shares, upon issuance in accordance with the terms of the Warrant Indenture, shall be duly issued as fully paid and non-assessable Common Shares and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Warrant Indenture;

(viii) ensure that the Compensation Securities, upon issuance, shall be duly and validly created, authorized and issued (if applicable) and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Compensation Option Certificates and the Warrant Indenture, as applicable;

(ix) ensure that at all times prior to the Expiry Date, sufficient Compensation Shares and Compensation Warrant Shares are allotted and reserved for issuance upon due and proper exercise of the Compensation Options and Compensation Warrants, and ensure that the Compensation Shares and Compensation Warrant Shares, upon issuance in accordance with the terms of the Compensation Option Certificates and the Compensation Option Warrants, as applicable, shall be duly issued as fully paid and non-assessable Common Shares and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Compensation Option Certificates and the Warrant Indenture;

(x) use its best efforts to ensure that the necessary regulatory consents from the TSXV in respect of the Offering are obtained and that the Unit Shares, Warrant Shares, Compensation Shares and Compensation Warrant Shares are conditionally approved for listing and trading on the TSXV on or prior to the Closing Date and remain listed for trading on the TSXV for a period of two years following the Closing Date, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Common Shares ceasing to be listed so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSXV;

(xi) execute and file with the Securities Regulators and the TSXV all forms, notices and certificates required to be filed by the Company pursuant to the Securities Laws and the policies of the TSXV in the time required by the applicable Securities Laws and the policies of the TSXV, including, for greater certainty, Form 45-106F1 and Form 45-106F6 of NI 45-106, as applicable, and any other forms, notices and certificates set forth in the opinions delivered to the Agent pursuant to the closing conditions set forth in Section 6 hereof, as are required to be filed by the Company; and

(xii) use the proceeds of the Offering for development projects relating to recent business development efforts, working capital, and general corporate purposes.

(b) The Agent hereby covenants and agrees to conduct all activities in connection with the Offering in compliance with Securities Laws and all other laws applicable to the Agent and obtain from each Purchaser a completed and executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by applicable securities regulatory authorities) in a form acceptable to the Company and the Agent.

3. (a) Material Changes During Distribution. During the period from the date hereof to the Closing Date, the Company shall promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) of any material change or change in a material fact (in either case, whether actual, anticipated, contemplated or threatened, financial or otherwise) or any event or development involving a prospective material change or a change in a material fact or any other material change in the business, affairs, operations, assets (including information or data relating to the estimated value or book value of assets), liabilities (contingent or otherwise), capital, ownership, control or management of the Company which would constitute a material change to, or a change in a material fact concerning the Company or any other change which is of such a nature.

During the period from the date hereof to the Closing Date, the Company shall promptly, and in any event, within any applicable time limitation, comply with all applicable filings and other requirements under Securities Laws as a result of such change. During such period, 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 3.

(b) Press Releases. The Company agrees that it shall obtain prior approval of the Agent as to the content and form of any press release to be issued prior to the Closing of the Offering, such approval not to be unreasonably withheld. In addition, if required by the relevant Securities Laws, any press release announcing or otherwise referring to the Offering shall include an appropriate notation on each page as follows: "NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES, OR FOR DISSEMINATION IN THE UNITED STATES."

4. (a) Representations and Warranties of the Company. The Company represents and warrants to the Agent and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in purchasing the Units, that:

(i) the Company (A) has been duly incorporated under the Act and is and will at the Closing Time be up-to-date in all material corporate filings and in good standing under such Act; (B) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets; and (C) has all requisite corporate power and authority to create, if applicable, issue and sell the Units, the Unit Shares and the Warrants, and to enter into and carry out its obligations under this Agreement, the Subscription Agreements, the Warrant Indenture and the Compensation Option Certificates;

(ii) the Company has no subsidiaries;

(iii) no proceedings have been taken, instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation of the Company;

(iv) the Company is in all material respects, conducting its business in compliance with all Applicable Laws, rules and regulations (including all material applicable federal, provincial, municipal, and local environmental anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including but not limited to relevant exploration, concessions and permits) of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases

or operates its properties or carries on business to enable its business to be carried on as now conducted and proposed to be conducted and its properties and assets to be owned, leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which could have a Material Adverse Effect and will at the Closing Time be valid, subsisting and in good standing;

(v) all necessary corporate action has been taken or will have been taken prior to the Closing Time by the Company so as to (A) validly issue the Unit Shares as fully paid and non-assessable Common Shares; (B) validly create, authorize and issue the Warrants; (C) allot, reserve and authorize the issuance of Warrant Shares as fully paid and non-assessable Common Shares upon the due exercise of the Warrants in accordance with the terms of the Warrant Indenture; (D) validly create, authorize and issue the Compensation Options on Closing; (E) validly create and authorize for issuance the Compensation Warrants; and (F) allot, reserve and authorize the issuance of the Compensation Shares and the Compensation Warrant Shares as fully paid and non-assessable Common Shares upon the due exercise of the Compensation Options and the Compensation Warrants, respectively, in accordance with the terms of the Compensation Option Certificates and the Warrant Indenture, as applicable;

(vi) each of the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the Compensation Option Certificates and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Company and upon the execution and delivery thereof shall constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to Applicable Laws;

(vii) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required under Securities Laws necessary for the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the Compensation Option Certificates, the issuance, sale and delivery of the Unit Shares, the Warrants, the Warrant Shares and the Compensation Securities, and the consummation of the transactions contemplated hereby and thereby have been made or obtained, as applicable, other than filings required to be submitted within the applicable time frame pursuant to applicable Securities Laws;

(viii) the Company is not in breach or default of, and the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and Compensation Option Certificates and the performance by the Company of its obligations hereunder or thereunder, the issue and sale of the Unit Shares, the Warrants, the Warrant Shares and the Compensation Securities and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, (whether after notice or lapse of time or both), (A) any statute, rule or regulation applicable to the Company, including the Securities Laws; (B) the constating documents, articles or resolutions of the Company which are in effect at the date of hereof; (C) any Debt Instrument or Material Agreement; or (D) any judgment, decree or order binding the Company or the property or assets of the Company;

(ix) the Unit Shares have been, or prior to the Closing Time will be, validly authorized and reserved for issuance and when issued and delivered, in physical or electronic form, and paid for, the Unit Shares will be validly issued and fully paid and non-assessable Common Shares;

(x) the Warrants, Compensation Options and Compensation Warrants have been, or prior to the Closing Time will be, validly created and authorized for issuance and when the Warrant Indenture and Compensation Option Certificates have been executed, issued and delivered by the Company, the Warrants and the Compensation Options will be validly issued, and, upon exercise of the Compensation Options, any Compensation Warrants will be validly issued;

(xi) the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares, respectively, have been, or prior to the Closing Time will be, duly and validly authorized and reserved for issuance and, upon exercise of the Warrants, the Compensation Options and the Compensation Warrants, in accordance with their terms and when the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares have been issued and delivered, in physical or electronic form, and paid for, the Warrant Shares, Compensation Shares and Compensation Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;

(xii) the authorized capital of the Company consists of an unlimited number of Common Shares, of which, immediately prior to giving effect to the Offering, 67,198,649 Common Shares were outstanding as fully paid and non-assessable;

(xiii) the Company is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will have a Material Adverse Effect;

(xiv) the currently issued and outstanding Common Shares are listed and posted for trading on the TSXV and no order ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Units, the Unit Shares or the Warrants or the issuance of the Compensation Options or the trading of any of the Company's issued securities has been issued and no proceedings for such purpose has been threatened or, to the knowledge of the Company, are pending;

(xv) the Company has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSXV and the Company is currently in compliance with the rules and regulations of the TSXV;

(xvi) except for the Warrants, the Compensation Options and otherwise as set forth in Schedule "A" hereto, no person now has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Company;

(xvii) since December 31, 2013, except as disclosed in the Public Disclosure Documents:

(A) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Company;

(B) there has not been any material change in the capital stock or long-term debt of the Company; and

(C) the Company has carried on its Business in the ordinary course;

(xviii) the audited annual financial statements of the Company for the fiscal year ended December 31, 2013 (the "**Financial Statements**"), contain no misrepresentations, present fairly, in all material respects, the financial condition of the Company, on a consolidated basis, for the periods then ended and have been prepared in accordance with Canadian generally accepted accounting principles;

(xix) there are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or other persons that could reasonably be expected to have a Material Adverse Effect;

(xx) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with Canadian generally accepted accounting principles and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(xxi) there are no legal proceedings or investigations (whether or not purportedly by or on behalf of the Company) pending against or affecting or to the knowledge of the Company threatened against the Company at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign;

(xxii) the Company is, and will at the Closing Time be, a "reporting issuer", not included in a list of defaulting reporting issuers maintained by Canadian Securities Regulators in the Provinces of British Columbia, Alberta, Saskatchewan, Ontario or Québec and in particular, without limiting the foregoing, the Company has at all times complied with its obligations to make timely disclosure of all material changes and material facts relating to it and there is no material change or material fact relating to the Company which has occurred and with respect to which the requisite news release has not been disseminated or material change report has not been filed with the Canadian Securities Regulators in the Provinces of British Columbia, Alberta, Saskatchewan, Ontario or Québec;

(xxiii) all filings and fees required to be made and paid by the Company pursuant to Securities Laws and general corporate law have been made and paid and the information and statements set forth in the Public Disclosure Documents were accurate in all material respects and did not contain any misrepresentation as of the date of such information or statement, and the Company has not filed any confidential material change report with any of the Securities Regulators that is still maintained on a confidential basis;

(xxiv) the auditors of the Company are independent public accountants as required by the Securities Laws;

(xxv) there has not been any "reportable event" (within the meaning of National Instrument 51-102 of the Canadian Securities Administrators) with respect to the present or any former auditor of the Company;

(xxvi) there is not, in the constating documents, by-laws or in any Debt Instrument, Material Agreement, or other instrument or document to which the Company is a party, any

restriction upon or impediment to, the declaration of dividends by the directors of the Company or the payment of dividends by the Company to the holders of the Common Shares;

(xxvii) the Company is not party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company to compete in any line of business, transfer or move any of their assets or operations or which would have a Material Adverse Effect;

(xxviii) except as disclosed in the Public Disclosure Documents, other than the Company, there is no person that is or will be entitled to the proceeds of the Offering under the terms of any Debt Instrument, Material Agreement, or other instrument or document (written or unwritten);

(xxix) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company;

(xxx) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company have been paid. All tax returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Company, no examination of any tax return of the Company is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Company;

(xxxi) neither the Company, nor to the Company's knowledge, any other person, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company or such other person under any Debt Instrument or Material Agreement and all such contracts are in good standing, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Company or, to the Company's knowledge, any other party;

(xxxii) the Transfer Agent at its principal office in the City of Montréal, Québec has been duly appointed as the registrar and transfer agent in respect of the Common Shares;

(xxxiii) except as disclosed in the Public Disclosure Documents, none of the directors, officers or employees of the Company, any known holder of more than 10% of any class of shares of the Company, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the *Securities Act* (Ontario)), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Company which, as the case may be, materially affected, is material to or will materially affect the Company;

(xxxiv) other than the Agent (or any members of a selling group) pursuant to this Agreement, there is no person acting or purporting to act at the request of the Company who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein;

(xxxv) except as disclosed in the Public Disclosure Documents, the Company is not a party to any Debt Instrument and does not have any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with the Company;

(xxxvi) the assets of the Company and its business and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Company has not failed to promptly give any notice or present any material claim thereunder;

(xxxvii) with respect to each of the Leased Premises, the Company occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;

(xxxviii) all information which has been prepared by the Company relating to the Company and its business, properties and liabilities and either publicly disclosed or provided to the Agent including all financial, marketing, sales and operational information provided to the Agent and all Public Disclosure Documents is, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom which would make such information materially misleading;

(xxxix) the minute books and records of the Company which the Company has made available to the Agent and its counsel in connection with their due diligence investigation of the Company for the period from inception to the date of examination thereof are all of the minute books and all of the records of the Company for such period and contain copies of all constating documents, including all amendments thereto, and all proceedings of securityholders and directors (and committees thereof) and are complete in all material respects;

(xl) any and all of the agreements and other documents and instruments pursuant to which the Company holds, or holds rights to, its properties and assets are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Company is not in default of any of the material provisions of any such agreements, documents or instruments, nor has any such default been alleged. None of the properties or assets (or any option agreement or any interest in, or right to earn an interest in, any property) of the Company are subject to any right of first refusal or purchase or acquisition rights;

(xli) the Company is in material compliance with all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, (the "**Environmental Laws**") relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances ("**Hazardous Substances**");

(xlii) the Company has obtained all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the "**Environmental Permits**") necessary as at the date hereof for the operation of the business carried on or proposed to be commenced by the Company, and each Environmental Permit is valid, subsisting and in good standing and the Company is not in material default or breach of any Environmental Permit and no proceeding has been threatened, or, to the knowledge of the Company, is pending to revoke or limit any Environmental Permit;

(xliii) the Company has not used, except in material compliance with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance;

(xliv) neither the Company, nor to the knowledge of the Company, if applicable, any predecessor companies, have received any notice of, or been prosecuted for an offence alleging, non-compliance with any laws, ordinances, regulations and orders, including Environmental Laws, and neither the Company, nor to the knowledge of the Company, if applicable, any predecessor companies have settled any allegation of non-compliance short of prosecution. There are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Company, nor has the Company received notice of any of the same;

(xlv) there have been no past unresolved or threatened, and to the Company's knowledge, there are no pending claims, complaints, notices or requests for information received by the Company with respect to any alleged material violation of any Applicable Law, statute, order, regulation, ordinance or decree; and to the Company's knowledge, no conditions exist at, on or under any property now or previously owned, operated or leased by the Company which, with the passage of time, or the giving of notice or both, would give rise to liability under any Applicable Law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect;

(xlvi) except as ordinarily or customarily required by applicable permit, the Company has not received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any Applicable Law including any Environmental Laws. The Company has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites;

(xlvii) there are no environmental audits, evaluations, assessments, studies or tests relating to the Company except for ongoing assessments conducted by or on behalf of the Company in the ordinary course;

(xlviii) none of the Company, nor to the knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company has: (A) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (B) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (C) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977*, as amended (United States), the UK Bribery Act of 2010, or any other anti-corruption law or similar legislation to which the Corporation may be subject in any jurisdiction in which the Company carries on its Business; or (D) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(xlix) each plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company for the benefit of any current or former director, officer, employee or consultant of the Company, if any/as applicable (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Securities Laws;

(l) all accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Company;

(li) there is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance threatened or pending against the Company which is adversely affecting or could adversely affect the carrying on of the business of the Company and no union representation question exists respecting the employees of the Company and no collective bargaining agreement is in place or currently being negotiated by the Company;

(lii) with respect to Intellectual Property:

(A) subject to the provisions of this Section 4(a)(lii)(A), the Company owns all rights in or has obtained valid and enforceable licenses or other rights to use, the patents, patent applications, patentable subject matter, inventions, industrial designs, copyrights, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names or any other intellectual property (collectively, "**Intellectual Property**") necessary to carry on its Business as currently carried on or proposed to be carried on, free and clear of all Liens, and such Intellectual Property, and the Company's interests therein, is accurately described in Schedule "B" hereto. The Company, together with the U.S. Navy, jointly owns the three patents and patent applications titled "Conversion of Waste into High Efficiency Fuel" included in the Intellectual Property and which jointly owned patents (and the Company's joint ownership interest therein) are/is accurately described in Schedule "B" hereto; the Company's joint ownership interest in the said jointly owned patents being free and clear of all Liens. Moreover, the Company has obtained valid and enforceable licenses or other rights to use, the said three jointly owned patents necessary to carry on its Business as currently carried on or proposed to be carried on, free and clear of all Liens;

(B) to the knowledge of the Company, except for the licenses specifically identified in Section 4(a)(lii)(H), there are no third parties who have, or will be able to establish, rights (including any license) to any trade-mark applications, trade-mark registrations, patent applications or patents, industrial design applications, industrial design registrations, copyrights (common law and/or registered), trade secrets or other proprietary right owned by the Company (or rights in the subject matter of such trade-mark applications, trade-mark registrations, patent applications or patents, industrial design applications or industrial design registrations, copyrights (common law and/or registered), trade secrets or other proprietary right);

(C) the Company is not aware of, and/or has not received any written notice of: (a) any infringement by third parties of any Intellectual Property owned by the Company

("**Owned Intellectual Property**"), (b) any conflict with a third party whereby it is alleged that the Company infringes or otherwise violates any Intellectual Property of others, (c) any conflict with a third party whereby the Company's rights in or to any Owned Intellectual Property and/or any Intellectual Property licensed to the Company or the validity or scope of any Owned Intellectual Property and/or any Intellectual Property licensed to the Company is challenged, which infringement or conflict (if the subject of any unfavourable decision, ruling or finding), would reasonably be expected to have a Material Adverse Effect;

(D) except in respect of Owned Intellectual Property that is not material to the Business of the Company as currently carried on or as proposed to be carried on, and other than as disclosed in Schedule "B" hereto, there is no application for registration of any Owned Intellectual Property and/or Intellectual Property licensed to the Company with respect to which there has been a refusal of registration, an abandonment of application, determination of unregisterability and no registration of any such Intellectual Property is subject to any cancellation, invalidity or *inter partes* re-examination, and, to the knowledge of the Company, there are no facts which would form a reasonable basis for such finding, determination or action;

(E) to the knowledge of the Company, there is no Intellectual Property held by others that would prevent the development, manufacture, use, sale, lease, license and service of products or services now existing or under development by the Company, other than those sourced from third parties;

(F) all applications for registration and all registrations of the Owned Intellectual Property that have not heretofore been abandoned on the public register (including, without limitation, all pending patent, industrial design, trade-mark and copyright applications and registrations that have not been abandoned as listed in Schedule "B" hereto) are, and shall remain, in good standing, recorded in the name of the legal and beneficial owner thereof and filed in a timely manner in the appropriate offices to preserve the rights thereto. The Company identified as the applicant and owner thereof, or as assignee of the applicant or owner thereof, in the applications therefor has prosecuted, and shall continue to diligently prosecute, all present and future applications for registration of the Owned Intellectual Property in the jurisdictions listed in Schedule "B" hereto. All registrations of the Company's Owned Intellectual Property have been and shall be filed, prosecuted and obtained in accordance with all applicable legal requirements and are and shall be in effect in compliance with all applicable legal requirements. All government fees, including without limitation, all filing, examination, issuance, annuity, renewal and maintenance fees and the like have been and shall be properly and timely paid according to the applicable laws and criteria in each jurisdiction. Except as otherwise set out in Schedule "B" hereto, no application for registration or registration of the Owned Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be properly renewed or maintained or by reason of any challenge or opposition or for any other reason; and the Company shall ensure that no application for registration or registration of the Owned Intellectual Property shall expire, become abandoned, be cancelled or expunged, or lapse for failure to be properly renewed or maintained or for any other reason;

(G) with the exception of such information that has been disclosed on the public record in the process of prosecuting applications for the registration of same, each of the processes, procedures and techniques and confidential information included in the

scope of the Owned Intellectual Property are confidential and have not been revealed to anyone other than persons who have entered into non-disclosure agreements with the Company, and the Company shall not provide any other person with access to those processes, procedures and techniques or confidential information, without first having such person enter into non-disclosure agreements with the Company;

(H) there exists no licence to Owned Intellectual Property in favour of any third party and the owner is not obliged to enter into any contract to grant any licence relating thereto except for:

(a) the non-exclusive license agreement in writing dated March 19, 2011 and entered into between the Company, as licensor, and Phoenix Haute Technology Inc., as licensee, with respect to the latter's right to use and commercialize certain of the Company's High Enthalpy Plasma torch technology on a non–exclusive basis as therein described and which license agreement is referred to in Schedule "B" hereto and a true and complete executed copy of which has been added to the Public Disclosure Documents;

(b) the exclusive licence granted to Nova Waste Solutions Incorporated on April 24, 2012, with respect to the latter's right to use, market and sublicense the Company's plasma resource recovery technology in the Halifax Regional Municipality, a true and complete executed copy of which has been provided to the Agent;

(c) the non-exclusive licence granted to Raymor Industries Inc. and Advanced Powders and Coatings Inc. on August 29, 2006 by Phoenix Haute Technology Inc. (as predecessor-in-title to the Company) as more particularly referred to in the license agreement referenced in Section 4(a)(lii)(H)(a) above;

and which license agreement in favour of Phoenix Haute Technology Inc. has been duly and validly assigned to the Company, is in full force and effect, unamended, and no breach or default has occurred thereunder. Moreover, none of the foregoing licenses identified in this Section 4(a)(lii)(H), and no existing or future breach or default under any of them by any party thereto, has resulted in or has or will have a Material Adverse Effect on the Company. Without limitation to any other provision of this Agreement, the partially exclusive license agreement between the United States of America, as represented by The Secretary of the Navy, as licensor, and the Predecessor, dated June 12, 2008 and accepted May 10, 2009, has, following the completion of the Amalgamation duly and validly vested in the Company, and that said license agreement with the United States of America, as represented by The Secretary of the Navy, as licensor is now in full force and effect, unamended, and no breach or default has occurred thereunder, and a true and complete executed copy of which has been added to the Public Disclosure Documents; and

(I) the Company has duly and validly acquired the Owned Intellectual Property from Phoenix Haute Technology Inc. free and clear of all liens, claims, security interests and encumbrances, under and pursuant to an agreement of purchase and sale in writing dated March 19, 2011, a true and complete executed copy of which has been added to the Public Disclosure Documents.

(b) Representations and Warranties of the Agent. The Agent hereby represents and warrants to the Company and acknowledges that the Company is relying upon such representations and warranties, that:

(i) the Agent and its Affiliates and representatives have not engaged in or authorized, and will not engage in or authorize, any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act in connection with or in respect of the Units in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio, television, the internet or otherwise or conducted any seminar or meeting concerning the offer or sale of the Units whose attendees have been invited by any "general solicitation" or "general advertising";

(ii) the Agent has not and will not solicit offers to purchase or sell the Units so as to require the filing of a prospectus, registration statement or offering memorandum with respect thereto or the provision of a contractual right of action under the laws of any Selling Jurisdiction; and

(iii) the Agent is duly registered pursuant to the provisions of the Securities Laws and registered or licensed as an investment dealer in those jurisdictions in which it is required to be so registered or licensed in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, the Agent will act only through its U.S. Affiliate or members of a selling group who are so registered or licensed.

5. Closing Deliveries. The purchase and sale of the Units shall be completed at the Closing Time concurrently at the offices of the Company's counsel, Osler, Hoskin & Harcourt LLP, in Montréal, Québec and the Agent's counsel, Cassels Brock & Blackwell LLP, in Toronto, Ontario. At the Closing Time, the Company shall duly and validly deliver, or cause to be executed and delivered (in the case of the issuance of uncertificated securities issued through the CDSX Deposit System of CDS) to the Agent in Toronto: (a) the Unit Shares and Warrants, registered as directed by the Agent, against payment to the Company of the Aggregate Subscription Price therefor; and (b) the Compensation Option Certificates. The Agent and the Company may discharge their respective payment obligations under this section by delivery of certified cheques or bank drafts from the Agent to the Company, or by electronic money transfer equal to the Aggregate Subscription Price for the Units issued under the Offering, less (a) the Agent's Fee; and (b) the reasonable out-of-pocket costs and expenses of the Agent (including the fees, disbursements and applicable taxes of counsel to the Agent) as set out in Section 8 herein.

6. Closing Conditions. Each Purchaser's obligation to purchase the Units shall be conditional upon the fulfilment at or before the Closing Time of the following conditions, which conditions may be waived in writing in whole or in part by the Agent in its sole discretion:

(a) the Agent shall have received a certificate, dated as of the Closing Date, signed by the President and Chief Executive Officer and the Chief Financial Officer of the Company, or such other officers of the Company as the Agent may agree, certifying for and on behalf of the Company, to the best of their knowledge, information and belief, that:

(i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;

(ii) the Company has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and

(iii) the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement.

(b) 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 its counsel, with respect to the articles and by-laws of the Company, all resolutions of the Company's board of directors relating to this Agreement and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers in the form of a certificate of incumbency and such other matters as the Agent may reasonably request;

(c) the Agent shall have received a certificate of compliance or similar certificate with respect to the good standing of the Company in the jurisdiction in which the Company is incorporated;

(d) the Company shall cause the Transfer Agent to deliver a certificate as to the issued and outstanding Common Shares as at the close of business on the day prior to the Closing Date;

(e) the Agent shall have received favourable legal opinions addressed to it and the Purchasers, in form and substance satisfactory to the Agent's counsel acting reasonably, dated the Closing Date, from Osler, Hoskin & Harcourt LLP, counsel to the Company and where appropriate, counsel in the other Selling Jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Company, with respect to the following matters:

(i) as to the incorporation and subsistence of the Company under the Act and as to the corporate power and capacity of the Company to carry on its business as presently carried on and to own its properties and assets;

(ii) as to the authorized and issued capital of the Company;

(iii) as to the corporate power and authority of the Company to carry out its obligations under this Agreement, the Subscription Agreements, the Warrant Indenture, the Compensation Option Certificates and to issue the Unit Shares, the Warrants, the Warrant Shares and the Compensation Securities;

(iv) neither the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the Compensation Option Certificates nor the performance by the Company of its obligations hereunder and thereunder, nor the sale or issuance of the Unit Shares, the Warrants, the Warrant Shares and the Compensation Securities will conflict with (A) the articles and by-laws of the Company; (B) the Act, and (C) any applicable Securities Laws to which the Company is subject; and

(v) each of this Agreement, the Subscription Agreements, the Warrant Indenture and the Compensation Option Certificates have been duly authorized, executed and delivered by the Company and constitute a valid and legally binding obligation of the Company enforceable against it in accordance with their respective terms;

(vi) the Unit Shares have been issued as fully paid and non-assessable shares in the capital of the Company;

(vii) the Warrants have been duly and validly created and issued and the Warrant Shares have been reserved and authorized and allotted for issuance to the holders thereof and, upon the due exercise of the Warrants in accordance with the provisions of the Warrant Indenture, the Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(viii) the Warrant Agent has been duly appointed as the warrant agent for the Warrants;

(ix) the Compensation Options have been duly and validly created and issued and the Compensation Shares have been reserved and authorized and allotted for issuance to the Agent and, upon the due exercise of the Compensation Options in accordance with the provisions of the Compensation Option Certificates, the Compensation Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(x) the Compensation Warrants have been duly and validly created and reserved for issuance to the Agent upon exercise of the Compensation Options and the Compensation Warrant Shares have been reserved and authorized and allotted for issuance and, upon the due exercise of the Compensation Warrants in accordance with the provisions of the Warrant Indenture, the Compensation Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

(xi) the issuance and sale by the Company of the Unit Shares and Warrants to the Purchasers and the issuance of the Compensation Options to the Agent in accordance with the terms of this Agreement are exempt from the prospectus requirements of applicable Securities Laws in the Canadian Selling Jurisdictions and no documents are required to be filed (other than specified forms accompanied by requisite filing fees), proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws of Canada to permit such issuance and sale; it being noted, however, that the Company is required to file or cause to be filed with the applicable Securities Regulators, a report on Form 45-106F1 or Form 45-106F6 prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within 10 days following the Closing Date;

(xii) the issuance of the Warrant Shares upon due exercise of the Warrants, the issuance of the Compensation Shares and Compensation Warrants upon the due exercise of the Compensation Options, and the issuance of the Compensation Warrant Shares upon the due exercise of the Compensation Warrants, is or will be exempt from the prospectus requirements of applicable Securities Laws of the Canadian Selling Jurisdictions and no documents are required to be filed (other than specified forms accompanied by requisite filing fees), proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws to permit such issuance and delivery;

(xiii) no other documents will be required to be filed, proceedings, taken or approvals, permits, consents or authorizations obtained under the applicable Canadian Securities Laws in connection with the first trade of the Unit Shares, the Warrants, the Warrant Shares or the Compensation Securities by the holders thereof, as the case may be, provided that a period of four months and one day has elapsed from the date of distribution of the securities; and

(xiv) such other matters as the Agent or its counsel may reasonably request;

(f) in the event that the Agent arranges for the sale of Units in the United States through its U.S. Agent in accordance with the terms and conditions hereof, an opinion from the Company's U.S. Counsel, Osler, Hoskin & Harcourt LLP, in form and substance satisfactory to the Agent, acting reasonably, to the effect that no registration is required under the U.S. Securities Act in connection with the offer, sale and delivery of the Units in the United States;

(g) the Agent shall have received at the Closing Time, evidence that all requisite approvals, consents and acceptances of the appropriate regulatory authorities and the TSXV required to be made or obtained by the Company in order to complete the Offering have been made or obtained;

(h) the issuance (and listing, as applicable) of the Unit Shares, the Warrant Shares and the Compensation Shares and Compensation Warrant Shares shall have been conditionally accepted by the TSXV;

(i) the Subscription Agreements shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Agent and its counsel, acting reasonably; and

(j) the Agent shall, in its sole discretion, and acting reasonably, be satisfied with their due diligence review with respect to the business, assets, financial condition, affairs and prospects of the Company.

7. Rights of Termination. Without limiting any of the other provisions of this Agreement, the Agent will be entitled, at its option, to terminate and cancel, without any liability on its part or on the part of the Purchasers, its obligations under this Agreement by giving written notice to the Company at any time prior to the Closing Time if, after the date hereof and at any time prior to the Closing:

(a) **Material Change Out:** there shall be any material change or a change in any material fact or a new material fact arises which, in the reasonable opinion of the Agent, would be expected to have a significant adverse change or effect on the business, affairs, prospects or financial condition of the Company or its material properties or on the market price or the value of the Units or the Common Shares; or

(b) **Disaster Out:** there should develop, occur or come into effect or existence any event, action, state, circumstance, condition or major financial occurrence, catastrophe, accident, natural disaster, public protest, war or act of terrorism or other occurrence of national or international consequence or any law or regulation which, in the reasonable opinion of the Agent, seriously adversely affects, or involves, or will, or could reasonably be expected to, seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole; or

(c) **Due Diligence Out:** the Agent is not satisfied with the results of its due diligence investigations into the business and affairs of the Company; or

(d) **Regulatory Out:** any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, any Units regulatory authority or any law or regulation is enacted or changed which in the opinion of the Agent, acting reasonably, could operate to prevent or materially restrict the trading

of the Units or materially and adversely affects or will materially and adversely affect the market price or value of the Units; or

(e) **Market Out:** the state of the financial markets is such that, in the opinion of the Agent, the Units cannot be profitably marketed; or

(f) **Breach:** the Company is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement becomes or is false in any material respect.

The rights of termination contained herein are in addition to any other rights or remedies that 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 which may have arisen prior to or arise after such termination under any of Sections 8 and 10.

The parties hereto agree that if the Agent terminates its obligations hereunder in accordance with the terms of this Agreement, the obligation of any Purchaser to purchase the Units shall be terminated without any further act of formality.

8. **Expenses.** Whether or not the sale of the Units shall be completed, the Company will pay all reasonable expenses and fees and all applicable taxes in connection with the Offering, including, without limitation, all expenses of or incidental to the issue, sale or distribution of the Units (such expenses not to exceed $5,000 without the prior consent of the Company), including all fees and expenses of its legal counsel, the reasonable fees and expenses of legal counsel to the Agent (such legal expenses not to exceed $60,000, excluding disbursements and taxes) and all costs incurred in connection with the preparation of documents relating to the Offering. All reasonable fees and expenses of the Offering (including all applicable taxes) shall be payable by the Company on the Closing Date.

9. **Survival of Representations and Warranties.** All representations, warranties, covenants and agreements of the Company herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Agent or the Purchasers with respect thereto, shall continue in full force and effect for the benefit of the Agent and the Purchasers, as applicable for a period of two years following the Closing Date. The representations, warranties, covenants and agreements of the Agent herein contained and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto, shall continue in full force and effect for the benefit of the Company for a period of two years following the Closing Date.

10. **Indemnity.**

(a) The Company and its affiliates (the "**Indemnitor**") hereby agrees to indemnify and hold the Agent and any of its affiliates, directors, officers, employees and shareholders (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent, to which the Agent and/or the Personnel may become subject or otherwise involved in any capacity under any statute or common law or

otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agent and the Personnel hereunder or otherwise in connection with the matters referred to herein, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction shall determine that:

(i) the Agent and/or the Personnel have been negligent or have committed any fraudulent act or wilful misconduct in the course of such performance, or have breached applicable laws; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were caused by the negligence, fraud, wilful misconduct or breach referred to in (i).

If for any reason (other than the occurrence of any of the events itemized in Sections 10(a)(i) and 10(a)(ii) above), the foregoing indemnification is unavailable to the Agent or insufficient to hold it harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent on the other hand but also the relative fault of the Indemnitor and the Agent, as well as any relevant equitable considerations; provided that the Indemnitor shall, in any event, contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Agent pursuant to this Agreement.

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or the Agent and any Personnel shall be 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 performance of professional services rendered to the Indemnitor by the Agent, the Agent shall have the right to employ its own counsel in connection therewith, 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 therefore within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Indemnitor and the Agent or Personnel have both advised (or in the event of a dispute between such counsel, a court of competent jurisdiction has determined) that representation of both parties by the same counsel would be inappropriate because there may be legal defences available to the Agent or Personnel 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 the Agent's or Personnel's behalf) or that there is a conflict of interest between the Indemnitor and the Agent or Personnel (in which events the Indemnitor shall not have the right to assume or direct the defence on the Agent's or Personnel's behalf), and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by its Personnel in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Indemnitor as they occur unless caused pursuant to Sections 10(a)(i) or 10(a)(ii) above.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or any of its Personnel or after 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, the Agent will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agent and shall be binding upon and ensure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agent and any of the Personnel of the Agent. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

(b) Right of Indemnity in Favour of Others. With respect to any person who may be indemnified by paragraph 10(a) above and is not a party to this Agreement, the Agent shall obtain and hold the rights and benefits of this Section 10 in trust for and on behalf of such person.

11. Agent's Compensation. As consideration for the services to be rendered by the Agent in connection with the Offering, the Company shall pay the Agent's Fee and issue the Compensation Options to the Agent. The obligation of the Company to pay the Agent's Fee and execute and deliver the Compensation Option Certificates shall arise at the Closing Time.

12. Standstill. The Company agrees not to offer, nor to announce the offering of, nor to make any agreement to issue any additional equity or debt securities or securities convertible or exercisable into equity or debt securities of the Company other than (i) for purposes of any share option plan of the Company as it currently exists, or any other stock compensation arrangements otherwise granted to employees of the Company in the usual or normal course, or (ii) with respect to securities outstanding as at the date hereof that are convertible or exchangeable into Common Shares (or securities convertible into or exchangeable for Common Shares) until the date that is 120 days after the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld.

13. 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, to it at:

PyroGenesis Canada Inc.
1744 William Street, Suite 200
Montréal, QC H3J 1R4

Attention: P. Peter Pascali
Fax: (514) 937-5757
Email: ppascali@pyrogenesis.com

with a copy to (which shall not constitute notice):

Osler, Hoskin & Harcourt
1000 De la Gauchetière Street West
Suite 2100
Montréal, QC H3B 4W5

Attention: Eric Levy
Fax: (514) 904-8101
Email: elevy@osler.com

or if to the Agent:

Mackie Research Capital Corporation
199 Bay Street
Commerce Court West, Suite 4500
Toronto, ON M5L 1G2

Attention: Paul Rajchgod
Fax: (416) 860-7674
Email: prajchgod@mackieresearch.com

with a copy to (which shall not constitute notice):

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Attention: Jay King
Fax: (416) 640-3183
Email: jking@casselsbrock.com

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

Each notice shall be personally delivered to the addressee, sent by electronic mail, or sent by facsimile transmission to the addressee and (i) 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; (ii) a notice which is sent by electronic mail or facsimile transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent or confirmed to have been sent, respectively.

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

15. Canadian Dollars. All references herein to dollar amounts are to lawful money of Canada, unless otherwise indicated.

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

17. Singular and Plural, etc. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

18. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings including, without limitation, the engagement letter dated as of April 8, 2014 between the Company and the Agent in respect of the Offering. This Agreement may be amended or modified in any respect by written instrument only.

19. 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.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

21. 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 executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

22. 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.

23. 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.

24. Counterparts and Facsimile. This Agreement may be executed in any number of counterparts and by facsimile or other form of electronic transaction (including electronic mail), each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

Yours very truly,

MACKIE RESEARCH CAPITAL CORPORATION

Per: "*Paul Rajchgod*"
Authorized Signatory

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

DATED as of this 22nd day of May, 2014.

PYROGENESIS CANADA INC.

Per: "*P. Peter Pascali*"
Authorized Signatory

SCHEDULE "A"

This is Schedule "A" to the agency agreement dated as of May 22, 2014 between PyroGenesis Canada Inc. and Mackie Research Capital Corporation.

DETAILS OF OUTSTANDING CONVERTIBLE SECURITIES AND RIGHTS TO ACQUIRE SECURITIES

Type of Securities	Number of Securities	Exercise Price	Expiry Date
Options	4,414,000	$0.21	November 19, 2017
	100,000	$0.22	May 30, 2018
Warrants	3,660,000	$0.55	December 20, 2015
	4,424,555	$1.20	March 29, 2015

SCHEDULE "B"

This is Schedule "B" to the agency agreement dated as of May 22, 2014 between PyroGenesis Canada Inc. and Mackie Research Capital Corporation.

INTELLECTUAL PROPERTY

Patent description	Ownership	Country	Registration number	Expiry Date
PAWDS – Organic Waste Disposal System	License from U.S. Navy	US	5,960,026	09-09-2017
PAWDS – Compact furnace having three main chambers	100%	US	6,152,050	12-10-2016
PRRS- Plasma Gasification and Vitrification of Ashes	100%	US	5,958,264	10-10-2017
Recovery of metal from dross and apparatus therefore	100%	US	6,159,269	10-04-2017
Recovery of metal from dross	100%	CA	2,251,099	04-10-2017
Conversion of waste into highly efficient fuel - PAWDS	50%(1)	US	6,871,604	27-09-2022
Conversion of waste into highly efficient fuel	50%(1)	CA	Pending	Pending
Conversion of waste into highly efficient fuel	50%(1)	US	Pending	Pending
Conversion of waste into highly efficient fuel	50%(1)	EP	Pending	Pending
Two-stage plasma process for converting waste into fuel gas and apparatus therefor	100%	US	Pending	Pending
Two-stage plasma process for converting waste into fuel gas and apparatus therefor	100%	CA	2,424,805	04-04-2023
Two-stage plasma process for converting waste into fuel gas and apparatus therefor	100%	EP	04725656.5	Pending
Plasma Gasification and vitrification of ashes	100%	CA	2,188,357	10-21-2016
Three step ultra-compact plasma system for the high temperature treatment of waste onboard ships	100%	CA	Pending	Pending
Three step ultra-compact plasma system for the high temperature treatment of waste onboard ships	100%	AU	Pending	Pending
Three step ultra-compact plasma system for the high temperature treatment of waste onboard ships	100%	BR	Pending	Pending
Three step ultra-compact plasma	100%	GB	1907138	06-21-2026

Patent description	Ownership	Country	Registration number	Expiry Date
system for the high temperature treatment of waste onboard ships				
Three step ultra-compact plasma system for the high temperature treatment of waste onboard ships	100%	DE	1907138	06-21-2026
Three step ultra-compact plasma system for the high temperature treatment of waste onboard ships	100%	FR	1907138	06-21-2026
Three step ultra-compact plasma system for the high temperature treatment of waste onboard ships	100%	US	Pending	Pending
Steam plasma arc hydrolysis of ozone depleting substances	100%	US	Pending	Pending
Steam plasma arc hydrolysis of ozone depleting substances	100%	CA	Pending	Pending
Steam plasma arc hydrolysis of ozone depleting substances	100%	EP	Pending	Pending
Steam plasma arc hydrolysis of ozone depleting substances	100%	CN	Pending	Pending
Steam plasma arc hydrolysis of ozone depleting substances	100%	JP	Pending	Pending
Steam plasma arc hydrolysis of ozone depleting substances	100%	IN	Pending	Pending
Energy Recovery in PAWDS	100%	CA	Pending	Pending
Energy Recovery in PAWDS	100%	US	Pending	Pending
Plasma heated furnace for iron ore pellet induration	100%	PCT	PCT/CA2012/001107	Pending
High Power DC Non Transferred Steam Plasma Torch System	100%	PCT	PCT/CA2014/000108	Pending
Plasma Fired Steam Generator	100%	US	61/877150	Pending
Drosrite plus	100%	US	Pending	Pending
Drosrite plus	100%	CA	Pending	Pending
Drosrite plus	100%	EP	Pending	Pending
Drosrite plus	100%	AE	Pending	Pending
Drosrite plus	100%	BH	Pending	Pending
Drosrite plus	100%	QA	Pending	Pending

Note:
(1) Jointly owned by PyroGenesis and the US Navy.

SCHEDULE "C"

This is Schedule "C" to the agency agreement dated as of May 22, 2014 between PyroGenesis Canada Inc. and Mackie Research Capital Corporation.

UNITED STATES OFFERS AND SALES

As used in this Schedule "C" and related exhibits, the following terms shall have the meanings indicated:

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S, which, without limiting the foregoing, but for greater clarity in this Schedule, includes, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Units and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering;

"**FINRA**" means the Financial Industry Regulatory Authority, Inc.;

"**Foreign Issuer**" means "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

"**General Solicitation**" and "**General Advertising**" means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including advertisements, articles, notices or other communications published in any newspaper, magazine, the internet or similar media or broadcast over radio or television, or the internet or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

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

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

"**SEC**" means the United States Securities and Exchange Commission;

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;

"**U.S. Accredited Investors**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

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

"**U.S. Subscription Agreement**" means the agreement to be entered into between the Company and each Purchaser that is purchasing Units in the United States or to, or for the account or benefit of, U.S. Persons substantially in the form agreed to by the Company and the Agent;

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings assigned to them in the Agency Agreement to which this Schedule is attached.

A. Representations, Warranties and Covenants of the Agent

Each Agent, on its own behalf and on behalf of its U.S. Affiliate, represents, warrants and covenants to the Company that:

1. It acknowledges that the Units, Unit Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state Securities Laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and U.S. state Securities Laws.

2. It has not offered and sold, and will not offer and sell, any Units as a part of the distribution except (a) in an offshore transaction in accordance with Rule 903 of Regulation S, or (b) in the United States or to, or for the account or benefit of, U.S. Persons that are Accredited Investors pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 506 of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and similar exemptions under applicable state Securities Laws, and as provided in this paragraph 2 and paragraphs 3 through 13 below. Neither the Agent nor its U.S. Affiliate nor any person acting on its or their behalf (other than as permitted in this paragraph 2 and paragraphs 3 through 13 below), (i) has made or will make any offer to sell or any solicitation of an offer to buy any Unit to, or for the account or benefit of, any person in the United States or any U.S. Person; (ii) has facilitated or will facilitate any sale of Units to any Purchaser unless at the time the buy order was or will have been originated, the Purchaser was outside the United States and not a U.S. Person, and was not purchasing for the account or benefit of a U.S. Person, or such Agent, U.S. Affiliate or person acting on behalf of either reasonably believed that such Purchaser was outside the United States and not a U.S. Person and was not purchasing for the account or benefit of a U.S. Person; (iii) has engaged or will engage in any Directed Selling Efforts in the United States with respect to the offer and sale of the Units, or (iv) has engaged or will engage in any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units.

3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Company. It shall require its U.S. Affiliate and each selling group member to agree, for the benefit of the Company, to comply with, and shall use its reasonable best efforts to ensure that such U.S. Affiliate and each selling group member complies with, the same provisions of this Schedule as apply to such Agent as if such provisions applied to such U.S. Affiliate and selling group member.

4. All offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons have been and will be made or arranged (a) through the U.S. Affiliate, which on the dates of such offers and sales was and will be duly registered as a broker or dealer pursuant to section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempt) and a member of and in good standing with FINRA and in compliance with all applicable federal and state requirements governing the registration and conduct of broker-dealers.

5. Offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons have not been and will not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

6. Offers to sell and solicitations of offers to buy the Units in the United States or to or for the account or benefit of U.S. persons shall be made in a manner consistent with Rule 506 of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act to persons with whom such Agent or U.S. Affiliate has a pre-existing relationship and who are or are reasonably believed by them to be U.S. Accredited Investors.

7. All Purchasers of the Units that are in the United States or are purchasing for the account or benefit of a U.S. Person will be informed that the Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and are being offered and sold to such Purchasers by the Company in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506 of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and applicable state securities laws.

8. Prior to any sale of Units in the United States or to, or for the account or benefit of, a U.S. Person each Purchaser thereof will be required to execute a U.S. Subscription Agreement and no other written material will be used in connection with the offer and sale of the Units.

9. At least one Business Day prior to the Closing Date, the Agent will provide the Company with a list of all Purchasers of the Units that are in the United States or are purchasing for the account or benefit of a U.S. Persons, and will concurrently provide the Company with copies of all U.S. Subscription Agreements.

10. On the Closing Date, the Agent, together with its U.S. Affiliate, will provide to the Company a certificate in the form of Annex I to this Schedule "C" relating to the manner of the offer and sale of the Units in the United States or to, or for the account or benefit of U.S. Persons, or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold Units in the United States or to, or for the account or benefit of U.S. Persons.

11. The Agent represents that neither it, nor any of its directors, executive officers, other officers participating in the Offering, general partners or managing members, or any of the directors, executive officers or other officers participating in the Offering of any such general partner or managing member (each, an "**Agent Covered Person**" and, together, "**Agent Covered Persons**"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a "**Disqualification Event**"), except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of the U.S. Securities Act and (ii) a description of which has been furnished in writing to the Company prior to the date hereof.

12. The Agent represents that it is not aware of any person (other than any Company Covered Person (as defined below) or Agent Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Units. The Agent will notify the Company, prior to the Closing Date of any agreement entered into between the Agent and such person in connection with such sale.

13. The Agent will notify the Company in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Agent Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Agent Covered Person.

B. Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees that:

1. The Company is a Foreign Issuer, and that it reasonably believes that as of the date hereof, there is, and as of the date of issuance of the Units there will be, no Substantial U.S. Market Interest in the Units, and is not now and as a result of the sale of Units contemplated hereby will not be required to be registered as an investment company under the United States Investment Company Act of 1940, as amended and neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D concerning the filing of a notice of sales on Form D.

2. Neither the Company, its subsidiaries nor any of its affiliates, nor any person acting on its or their behalf (except the Agent, its U.S. Affiliates and any persons acting on any of their behalf, in respect of which no representation is made) (a) has made or will make any Directed Selling Efforts with respect to any of the Units, (b) has engaged in or will engage in any form of General Solicitation or General Advertising or has taken any action in a manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act with respect to offers or sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons, or (c) has taken or will take any other action that would cause the exemption or exclusion from registration provided by Rule 506 of Regulation D, Section 4(a)(2) of the U.S. Securities Act or Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Units pursuant to this Schedule "C".

3. Except with respect to the offer and sale of the Units offered hereby, the Company has not, for a period of six months prior to the start of the Offering, offered for sale or solicited any offer to buy any of its securities in the United States or to, or for the account or benefit of, U.S. Persons, and will not, for a period ending six months after the Closing Date, sell, offer for sale or solicit any offer to buy, any of its securities in the United States or to, or for the account or benefit of, U.S. Persons in a manner that would be integrated with the offer and sale of the Units and would cause the exemption from registration set forth in Rule 506 of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act to become unavailable with respect to the offer and sale of the Units pursuant to the Agreement.

4. None of the Company, any of its predecessors, any director, executive officer, other officer of the Company participating in the offering, any "beneficial owner" (as that term is defined in Rule 13d-3 under the U.S. Exchange Act) of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any "promoter" (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale (each, a "**Company Covered Person**" and, together, "**Company Covered Persons**"), is subject to any Disqualification Event except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine (i) the identity of each person that is a Company Covered Person; and (ii) whether any Company Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Agents a copy of any disclosures provided thereunder.

5. The Company is not aware of any person (other than any Company Covered Person or Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Units.

6. The Company will notify the Agent in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Company Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Company Covered Person.

7. The Company will, within prescribed time periods, prepare and file a Form D Notice of Sale and any forms or notices required under applicable state Securities Laws in connection with the offer and sale of the Units.

8. None of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agent, its U.S. Affiliates, or any person acting on any of their behalf, in respect of which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units.

ANNEX 1 TO SCHEDULE "C"

AGENT'S CERTIFICATE

In connection with the private placement in the United States of Units of PyroGenesis Canada Inc. (the "**Company**") pursuant to the agency agreement dated as of May 22, 2014, between the Company and the Agent (the "**Agency Agreement**"), each of the undersigned does hereby certify that:

(a) all offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons were effected by or through the undersigned U.S. Affiliate which is, and was at the time of such offer and sale, a duly registered broker dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer is made (unless exempted from the respective state's broker-dealer registration requirements) and (ii) a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;

(b) all offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons have been made in accordance with all applicable United States federal and state securities (including broker-dealer) laws;

(c) all offers and sales of Units in the United States or to, or for the account or benefit of, U.S. Persons were made to Purchasers that are U.S. Accredited Investors, to which we had reasonable grounds to believe and did believe were U.S. Accredited Investors, and, on the date hereof, we continue to believe that each Purchaser purchasing Units in the United States or to, or for the account or benefit of, U.S. Persons is a U.S. Accredited Investor;

(d) no form of General Solicitation or General Advertising was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine, the internet or similar media or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Units in the United States or to, or for the account or benefit of, U.S. Persons;

(e) prior to any sale of Units by the Company to a U.S. Accredited Investor, we caused each such Purchaser thereof to execute a U.S. Subscription Agreement and no other written material has been used by us in connection with the offer and sale of the Units;

(f) neither we nor any of our affiliates, have taken or will take any action which would constitute a violation of Regulation M under the U.S. Exchange Act; and

(g) none of (i) the undersigned, (ii) the undersigned's general partners or managing members, (iii) any of the undersigned's directors, executive officers or other officers participating in the offering of the Units, (iv) any of the undersigned's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Units or (v) any other person associated with any of the above persons, including any selling group and any such persons related to such selling group, that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Units is subject to any to any Disqualification Event; and

(h) the offering of the Units in the United States or to, or for the account or benefit of, U.S. Persons has been conducted by us in accordance with the Agency Agreement, including Schedule "C" thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

Dated as of this day of , 2014.

[AGENT]	**[U.S. AFFILIATE]**
By: _____	By: _____
Name:	Name:
Title:	Title: