2025 ANNUAL INFORMATION FORM

March 30, 2026

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1. Explanatory Notes

The information in this annual information form (this "AIF") of PyroGenesis is stated as at December 31, 2025, unless otherwise indicated.

For an explanation of the capitalized terms and expressions and certain defined terms, please refer to the "Glossary of Terms" at the end of this AIF.

In this AIF, unless the context otherwise requires, references to the "Company" or "PyroGenesis" refer to PyroGenesis Inc. together with its subsidiaries.

In this AIF, unless otherwise indicated, all references to "$" are to Canadian dollars and all references to "US$" are to U.S. dollars. Amounts are stated in Canadian dollars unless otherwise indicated.

This AIF should be read in conjunction with the information contained in the Company's consolidated financial statements and related notes for the year ended December 31, 2025, and the management's discussion and analysis thereon.

The Company has certain proprietary or contractual rights to certain company names, product names, trade names and trademarks used in this AIF that are important to its business, including PYROGENESIS, PYROGENESIS CANADA, PYROGENESIS (LOGO), PYROGENESIS ADDITIVE, PYROGENESIS ADDITIVE (LOGO), PYROGENESIS ALUMINUM, PYRO GREEN-GAS, PYRO GREEN-GAS (LOGO), SPHEROGENESIS, NEXGEN, DROSRITE, PUREVAP, SPARC, APT, APT-HP, RPT, MINIGUN, SPT, PPRS, and PAGV. The Company has omitted the registered trademark (®) and trademark (™) symbols and any other related symbols for such trademarks and all related trademarks, including those related to specific products or services, when used in this AIF.

2. Forward-Looking Statements

This AIF contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities legislation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "potentially" or "will be taken", "occur" or "be achieved" and similar words or the negative thereof. These forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections and anticipated events and trends that affect the Company and its industry. Although management of the Company believes that the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate.

Actual results and developments are likely to differ, and may differ materially, from those anticipated by the Company and expressed or implied by the forward-looking statements contained in this AIF. Such statements are based on a number of assumptions and risks which may prove to be incorrect. Important

assumptions relating to the forward-looking statements contained in this AIF include, among other things, assumptions concerning:

- the Company's business strategies, strategic objectives and growth strategy;
- the Company's expected production volumes, rates and costs;
- the Company's current and future capital resources and the need for additional financing;
- the Company's ability to increase sales from new and existing customers, and the results of the successful completion of the Company's current projects; the Company's ability to secure signed contracts for potential projects that are noted as in discussion or under negotiations, whether early-stage or advanced;
- management's expectation that the Company will achieve growth and profitability;
- the Company's overall financial performance;
- the Company continuing to maintain sufficient and effective production and research and development;
- there being no significant reduction in the availability of qualified and cost-effective human resources;
- there will be adequate liquidity available to the Company to carry out its operations;
- the Company's ability to obtain and retain key personnel; and
- the success of intellectual property applications.

By their nature, forward-looking statements require assumptions and are subject to inherent risks and uncertainties including those discussed herein. Several factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements.

The future outcomes that relate to forward-looking statements may be influenced by many factors, including, but not limited to, the risk factors described under the heading "Risk Factors". The Company cautions that the foregoing list of factors is not exhaustive, and that, when relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements.

Although the forward-looking statements contained in this AIF are based upon what management currently believes to be reasonable assumptions, the Company cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements and additional risks and uncertainties discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, available under the Company's profile on SEDAR+ at www.sedarplus.ca. There can be no assurance that forward-looking statements will prove to be accurate, as actual results

and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Forward-looking statements are provided as of the date of this AIF, and the Company assumes no obligation to update or revise such forward-looking statements to reflect new events or circumstances except as required under applicable securities laws.

The forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement and are made as of the date of this AIF or such other date specified herein.

3. Market and Industry Data

Unless otherwise indicated, information contained in this AIF concerning the industry and the markets in which the Company operates, including its general expectations, market position and market opportunity, is based on information from industry publications and reports generated by several third parties and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which the Company believes to be reasonable. These industry publications and reports generally indicate that the information contained therein was obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. The Company has not independently verified the data in such publications, reports or resources, and such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance relative to the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "Forward-Looking Statements" and "Risk Factors".

4. Corporate Structure

4.1. Name, Address and Incorporation

PyroGenesis is a corporation governed by the provisions of the *Canada Business Corporations Act* ("CBCA") and results from an amalgamation completed on July 11, 2011, under the CBCA, of Industrial Growth Income Corporation and PyroGenesis Canada Inc., a predecessor entity incorporated on June 5, 2006, to form the Company. Prior to the amalgamation, which constituted its qualifying transaction, Industrial Growth Income Corporation was a capital pool company listed on the TSX-V.

On November 5, 2024, the Company changed its name from "PyroGenesis Canada Inc." to "PyroGenesis Inc."

The Company's head and registered office is located at 1100 René-Lévesque Boulevard West, Suite 1825, Montréal, Québec, Canada, H3B 4N4.

4.2. Subsidiaries

PyroGenesis has two direct subsidiaries: 1) Pyro Green-Gas Inc. ("Pyro Green-Gas"), a private corporation incorporated under the laws of Canada; and 2) PyroGenesis International LLC (formerly

Drosrite International LLC), a private limited liability company constituted under the laws of Delaware. Pyro Green-Gas has two subsidiaries: a) AirScience Technologies Pvt. Ltd., a private corporation incorporated under the laws of India; and b) AirScience Italia S.r.l., a private corporation incorporated under the laws of Italy. Pyro Green-Gas owns 99.99% of the issued and outstanding shares of AirScience Technologies Pvt. Ltd. and 90.00% of the issued and outstanding shares of AirScience Italia S.r.l.

5. General Development of the Business

The following is a summary of the significant events that have influenced the general development of the business of the Company over the last three completed years.

5.1. Year Ended December 31, 2023

Business Highlights and Milestones

On January 10, 2023, PyroGenesis announced a contract to provide its SPARC™ refrigerant waste destruction system to a subsidiary of The Trust for the Destruction of Synthetic Refrigerants, a New Zealand government-mandated organization. The project, initially valued at $6 million, aims to assist New Zealand in its stated goals of reducing synthetic gas emissions by 25% no later than 2035.

On January 12, 2023, PyroGenesis announced an initial contract with a major European multinational chemical, oil, and gas conglomerate to assess the applicability of PyroGenesis' plasma torches for use in the client's chemical production process.

On January 17, 2023, PyroGenesis announced that Pyro Green-Gas signed a contract with a North American lithium-ion battery recycler for the delivery of a system to decontaminate the dust generated during the battery recycling process.

On March 21, 2023, PyroGenesis announced the receipt of a $700,000 order for three plasma torches to be used in the Company's waste destruction system currently in use on the USS Gerald R. Ford aircraft carrier. The plasma torches are to be used in PyroGenesis' Plasma Arc Waste Destruction System ("**PAWDS**") that the Company previously built and delivered to the US Navy.

On May 18, 2023, PyroGenesis announced it had received a payment of $2 million under the Drosrite International Exclusive Agreement dated August 29, 2019, between PyroGenesis International LLC ("**PyroGenesis International**"), a US-based company formerly named Drosrite International LLC, and PyroGenesis (the "**PyroGenesis International Exclusive Agreement**"). Under the terms of this agreement, PyroGenesis International had received the required rights from PyroGenesis to perform PyroGenesis International's obligations under a 2019 agreement it had entered into with Radian Oil & Gas Services Company, an oil and gas services company operating in the Middle East (the "**Dross Processing Service Agreement**"). For more information on the PyroGenesis International Exclusive Agreement, the Dross Processing Services Agreement, and the relationship between PyroGenesis International and PyroGenesis, see "Directors and Executive Officers – Conflicts of Interest".

On May 30, 2023, PyroGenesis announced that it had received its first per-tonne order of its plasma atomized titanium metal powders for 3D printing. The order, from a client whose name was being

withheld pursuant to a confidentiality undertaking, had ordered five metric tonnes of the powder, with an option to purchase an additional six metric tonnes.

On June 1, 2023, PyroGenesis announced that, in collaboration with HPQ Silicon Resources Inc. ("HPQ Silicon"), the PUREVAP Quartz Reduction Reactor (QRR) designed and built by PyroGenesis achieved successful laboratory validation of quartz to high purity 3N+ silicon in one step. No timeline was established as to when HPQ Silicon would be in a position to produce the improved silicon on a large commercial scale.

On June 22, 2023, PyroGenesis announced the signing of two contracts with Aluminerie Alouette for $2.7 million. The first contract was to further advance the Company's spent pot lining valorization technology. The second contract was geared to develop a new valorization solution for excess electrolytic bath. Both contracts aim to address primary aluminum production process residue streams. The project funding includes contributions from both Aluminerie Alouette and the Centre Quebecois de recherche et de développement de l'aluminium, which administers funding and programs made available by the provincial government's Ministry of the Economy, Innovation and Energy for Quebec's aluminum industry.

On August 1, 2023, PyroGenesis announced the receipt of a contract valued at approximately $4.13 million from a U.S. client, the name of which was withheld for confidentiality reasons. The client, which regularly serves as a prime contractor for the U.S. government as well as for public and private customers in the aeronautics and related industries, agreed to purchase a 4.5 MW plasma torch system. The specific purpose and application of the plasma torch system cannot be disclosed.

On September 12, 2023, PyroGenesis announced the signing of a $2.25 million contract for the sale of a plasma torch system aimed at destroying Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) on behalf of a large operator of public water systems. The client's name was withheld for confidentiality reasons. As had been previously announced, PyroGenesis had suspended its participation in this project in 2022, but a reiteration of the project approach prompted the client and PyroGenesis to reengage and conclude this contract.

On October 24, 2023, PyroGenesis announced the receipt of a contract valued at $360,000 from a European engineering services firm (whose name was withheld for confidentiality reasons) undertaking a project involving identifying and safely destroying chemical warfare agents with the European Union. As the first part in a potential three-part project, PyroGenesis would provide a lab-scale size plasma arc chemical warfare agent destruction system (the "**PACWADS**") as part of a multi-partner project aimed at identifying, extracting and disposing of chemical munitions and chemical warfare agents residing in active marine passageways and corridors.

On December 18, 2023, PyroGenesis announced that the United States Patent and Trademark Office has issued it a new U.S. Patent No. US 11839918 encompassing PyroGenesis' NexGen™ plasma atomization powder. This U.S. Patent, entitled, "Method and Apparatus for Producing High Purity Spherical Metallic Powders at High Production Rates From One or Two Wires", describes the Company's NexGen ™ plasma atomization technology for producing metal powder for use in additive manufacturing and 3D printing.

Corporate Developments and Financings

On February 8, 2023, PyroGenesis announced that Alan Curleigh was returning to lead PyroGenesis' Board of Directors as Chair. P. Peter Pascali ("Mr. P. Pascali") stepped down as Chair and continued to serve as President, Chief Executive Officer, and Director of PyroGenesis.

On March 8, 2022, PyroGenesis announced the completion of a non-brokered private placement consisting of the issuance and sale of 5,000,000 units of the Company at a price of $1.00 per unit, for gross proceeds of $5,000,000 to the Company. Mr. P. Pascali subscribed to 2,500,000 units under the private placement. Each unit consisted of one Common Share and one warrant entitling the holder to purchase one Common Share at a price of $1.25 until March 7, 2025.

On May 23, 2023, PyroGenesis announced that, further to its announcement of November 22, 2022, it received a written notice from NASDAQ approving the Company's request for a 180-day extension, to meet the minimum closing bid price of US$1.00 per share listing requirement under NASDAQ Listing Rule 5550(a)(2). The Company had until November 20, 2023, for its ordinary shares to achieve a closing bid price of at least US$1.00 for a minimum of 10 consecutive trading days.

On July 21, 2023, PyroGenesis announced that it has closed a brokered private placement offering (the "July 2023 Offering") of 3,030 unsecured convertible debenture units of the Company (the "July 2023 Convertible Debenture Units") at a price of C$1,000 per Debenture Unit, for aggregate gross proceeds of C$3,030,000. In connection with the July 2023 Offering, Mr. P. Pascali subscribed for C$2,000,000 of July 2023 Convertible Debenture Units. The July 2023 Offering was led by Research Capital Corporation as the sole agent and sole bookrunner. Each July 2023 Convertible Debenture Unit consisted of one 10.0% unsecured convertible debenture of the Company (a "July 2023 Convertible Debenture") with a maturity of 36 months from the date of issuance and 1,000 Common Share purchase warrants of the Company (each, a "July 2023 Warrant"). Each July 2023 Warrant entitles holders to acquire one Common Share at an exercise price of $1.25 for a period of 24 months. The principal amount of each July 2023 Convertible Debenture was convertible into Common Shares at the option of the holder at any time for a defined period of time at a conversion price equal to $1.005, subject to customary adjustments. Commencing on February 21, 2024, the principal amount of the convertible debentures would be repaid monthly, payable in arrears, in either, at the sole discretion of the Company: (i) cash or (ii) subject to regulatory approval, Common Shares at a determinable issue price.

On August 31, 2023, PyroGenesis provided an update into the investigation that the Autorité des marchés financiers (the "AMF"), the securities regulatory authority in the Province of Quebec, was carrying out in connection with a settlement agreement entered into on April 30, 2018 between the Company and Phoenix Haute Technology Inc. ("Phoenix"), a company controlled by the late father of Mr. P. Pascali, and ancillary transactions (the "Phoenix 2018 Transactions"), announcing that the AMF initiated administrative proceedings against Mr. P. Pascali, Mr. Curleigh, and the Company, for actions taken in connection with the Phoenix 2018 Transactions. See "*Legal Proceedings*".

On October 27, 2023, PyroGenesis announced its intention to voluntarily delist its Common Shares from NASDAQ, and such delisting took effect on November 16, 2023. Shares continued to trade on the TSX and, on November 16, 2023, PyroGenesis' shares were quoted on the OTCQX Best Market.

On December 20, 2023, PyroGenesis announced that it closed a $1,250,000 non-brokered private placement of a convertible loan ("December 2023 Loan") in the amount of $1.25 million with Fiducie de Crédit Mellon Trust (the "Mellon Trust"), a trust of which Mr. P. Pascali is a trustee, officer and beneficiary.

The December 2023 Loan, bearing an interest rate of 3% per annum, would be paid quarterly in arrears and mature eighteen months following the effective date. During this period, the Mellon Trust could convert, in whole or in part, (i) the principal amount of the loan into Common Shares at the conversion price equal to $0.4918 and (ii), subject to TSX approval, any accrued interest at a determinable conversion price. As part of the December 2023 Loan, PyroGenesis also granted to the Mellon Trust share purchase warrants which can, in the eighteen months following the effective date, enable the Mellon Trust to subscribe for up to 625,000 Common Shares at a purchase price of $0.4098 per share. At any time after March 1, 2024, the Mellon Trust could require the prepayment of the entire outstanding balance of the December 2023 Loan amount. In February 2025, Mellon Trust converted the entirety of the principal amount of the loan into 2,541,683 Common Shares of the Company.

5.2. Year Ended December 31, 2024

Business Highlights and Milestones

On January 16, 2024, PyroGenesis announced the signature of a Master Agreement with a US-based technology company and the receipt of a non-refundable downpayment totaling $667,252 from said client. The client's name was withheld for competitive and confidential reasons. Per the terms of the Master Agreement, the downpayment secured for the client a period of exclusivity until February 15, 2024. The Master Agreement provided that, during this exclusivity period, PyroGenesis and the client would work collaboratively with the goal of finalizing and executing an initial statement of work, which would outline the terms by which PyroGenesis would design, build, and deliver five (5) high power 2MW air plasma torch systems for an aggregate price of approximately US$13 million. The Master Agreement also contemplates additional SOWs being entered into for the purchase of plasma torches, related equipment, and services.

On March 12, 2024, PyroGenesis announced the advancement of the Fumed Silica Reactor (FSR) project, which involves the construction of a pilot plant in conjunction with HPQ Silica Polvere Inc. ("HPQ Polvere"), a wholly owned subsidiary of HPQ Silicon. With the engineering design and all major equipment having been constructed and delivered on-site, the construction phase of the 50 tonnes-per-year pilot plant was accelerating. The pilot plant is being constructed within a dedicated space inside PyroGenesis' facilities and aims to convert quartz into fumed silica (also known as pyrogenic silica) in a single and eco-friendly step while eliminating the use of harmful chemicals generated by conventional methods.

On March 14, 2024, PyroGenesis announced the signing of a $450,000 contract with a U.S. structural materials entity engaged in the development of advanced cement materials. Funded in part by the U.S. Department of Energy, the name of the client remains anonymous for confidentiality reasons. Under the terms of the contract, PyroGenesis is designing and building a system tailored for lab-scale cement production applications, which should provide the client the type of increased power and heat levels required for advanced cement development and testing without the fossil fuel-related emissions generated by a gas-fueled system. Subsequent phases may require a refractory lined reactor and other systems for additional development.

On March 26, 2024, PyroGenesis announced that it had reacquired the intellectual property rights to the PUREVAP™ Nano Silicon Reactor (NSiR) technology on a no-cost basis after HPQ Silicon announced that it was no longer pursuing the commercial development of the technology. The technology was originally designed and developed by PyroGenesis on behalf of HPQ Nano Silicon Powders Inc. ("HPQ

Nano"), a wholly owned subsidiary of HPQ Silicon. It aims to use different purities of silicon (Si) as feedstock to make a wide range of spherical silicon nano- and micro-powders and wires, for potential use across various applications including as a potential replacement metal in lithium-ion batteries. Under the terms of a 2020 Development and Purchase Agreement between PyroGenesis and HPQ Nano, all rights in the PUREVAP NSiR technology (including any intellectual property rights) were assigned to HPQ Nano on condition that should HPQ Nano choose not to commercialize the technology, PyroGenesis would have the option to have the ownership of this technology revert back to it at no additional cost. By reacquiring this technology, PyroGenesis also reacquired the rights to the invention entitled "NANO-SILICON PARTICLES/WIRE PRODUCTION BY ARC FURNACE FOR RECHARGEABLE BATTERIES", which is subject to US and PCT patent applications.

On April 3, 2024, PyroGenesis announced the appointment of Paul Rajchgod as an independent director.

On April 11, 2024, PyroGenesis announced that its client, Progressive Planet, had obtained positive results from a series of tests on compressive strength for the PozPyro cement additive material produced by PyroGenesis' proprietary plasma process. This plasma-based process explores the feasibility of converting widely available, high-grade, crystalline silica into amorphous silica. The resulting amorphous silica can be used to enhance the strength of concrete as a replacement for fly ash. Progressive Planet indicated that the average Strength Activity Index result for 7-day tests carried out on four batches of cement mortar cubes for PozPyro was 108.75%, a 45% gain against the minimum target value. On May 2, 2024, PyroGenesis announced that Progressive Planet had recorded even stronger results in its 28-day tests.

On April 17, 2024, PyroGenesis announced the completion of its block sale of 3,779,700 shares in HPQ Silicon to Mr. P. Pascali for an aggregate purchase price of $661,447.50, representing a per-share price of $0.175.

On May 23, 2024, PyroGenesis announced that Pyro Green-Gas had signed contracts totaling $1.3 million with a global steel company based in India, for the development and supply of technology to desulphurize and clean the gas that is released during the creation of metallurgical coke from coal. Under the terms of these contracts, Pyro Green-Gas agreed to provide engineering and mechanical solutions that will aid in the removal of hydrogen sulfide from coke oven gas during the coking process. The cleaned gas would then be converted into high value reusable hydrogen. The name of the client, one of the largest steelmakers in India, was withheld for confidentiality and competitive reasons.

On May 30, 2024, PyroGenesis announced its intention to exercise its right to convert its annual royalty rights into a 50% ownership of HPQ Polvere. PyroGenesis and HPQ Polvere are parties to a Development and Purchase Agreement, pursuant to which PyroGenesis has the right to convert its rights to an annual royalty on the gross sales generated by HPQ Polvere into an ownership stake in that company. As of the date hereof, the conversion has not yet been finalized.

On June 11, 2024, PyroGenesis announced that Pyro Green-Gas had signed contracts totaling $2.5 million for engineering, design, and fabrication of a thermal swing adsorption system for the dehydration of pure oxygen produced from electrolyzers at the Varennes Carbon Recycling plant – a large biofuel production project currently under construction in Varennes, Quebec. The $1 billion project is being led by a consortium of major corporate partners, including Shell, Suncor, Proman, and Enerkem, and has the financial backing of the Quebec and Canadian governments. The consortium is constructing Canada's largest biorefinery with a capacity to convert up to 200,000 tonnes of non-recyclable waste and residual

biomass material into 125 million liters of commonly used chemicals and value-added biofuels, such as methanol. On March 11, 2025, Varennes Cellulosic Ethanol LP ("VCE"), the entity managing the VCR project, filed for protection under the *Companies' Creditors Arrangement Act* ("CCAA") as part of its strategy to address liquidity challenges. This legal process allows VCE to continue operations while seeking financial restructuring solutions under court supervision. The CCAA proceedings explicitly recognize PyroGenesis as a key supplier to the project. As outlined in communications from VCE, PyroGenesis has been asked to continue its work on the project and would receive timely payments for contracted goods and services moving forward. PyroGenesis will continue to monitor developments closely and is hopeful that, through the CCAA process, VCE will reach a resolution that ensures the successful continuation of this initiative.

On June 26, 2024, PyroGenesis announced the receipt of a $4.1 million payment of an outstanding receivable in connection with the Dross Processing Services Agreement. As mentioned, PyroGenesis contracted with PyroGenesis International, which was in turn contracted by Radian Oil and Gas Services Company under the Dross Processing Service Agreement for an order of seven Drosrite aluminum dross recovery systems. For more information on the PyroGenesis International Exclusive Agreement, the Dross Processing Services Agreement, and the relationship between PyroGenesis International and PyroGenesis, see "Directors and Executive Officers – Conflicts of Interest".

On July 29, 2024, PyroGenesis announced the signing of a two-stage contract to complete a land-based Plasma Waste-to-Energy System for a European entity. The first stage consists of a conceptual and preliminary design phase for approximately $2 million. The purpose of the design phase is to confirm, and more precisely determine, the order of magnitude cost estimate of the system's construction, which is expected to range between $120-160 million depending on the system's capacity and the selected by-product. Should this first stage prove successful, then the parties committed, subject to (a) final financing allocation and (b) terms and conditions of the second stage agreement (which is dependent on the results of the design phase), to move forward with the second phase of the project. The design of the Plasma Waste-to-Energy System is based on PyroGenesis' Plasma Resource Recovery System (PRRS), a waste-to-energy technology that eliminates toxic compounds while transforming waste into reusable products such as syngas and chemicals such as methanol. The client is a European consortium that remains anonymous for competitive and confidentiality reasons.

On September 3, 2024, PyroGenesis announced the execution of a $1 million contract with an entity engaged in the production of graphite. The first phase of the contract was for the design and delivery of a customized pilot-scale plasma reactor and associated testing system. Should the first phase prove successful, the next step would be the development of a full-scale graphite production plant for which PyroGenesis has exclusive rights. The contract also includes a 10% royalty to PyroGenesis on future gross revenues generated from an initial commercial graphite production plant built by the client, and a 5% royalty on any subsequent plants. PyroGenesis was also named as the exclusive plasma supplier and engineering service provider for the construction of any such plants. The name of the client remains anonymous for confidentiality reasons.

On October 21, 2024, PyroGenesis announced the signing of a contract valued at approximately $27 million from an existing U.S. client for the development of a plasma torch system powered at 20 megawatts. A plasma torch of this magnitude would represent one of, if not the most, powerful ever produced commercially. This client is the same client which ordered a 4.5MW plasma torch system from PyroGenesis in August 2023 and regularly serves as a prime contractor for the U.S. government, providing

technology and test services geared to solving critical defense, military, aeronautics, and space exploration challenges. The name of the client will remain anonymous for confidentiality reasons.

On November 19, 2024, PyroGenesis announced a signed contract with one of the largest steelmakers in the world, which will assess the applicability of PyroGenesis' fully electric plasma torches for use in part of the client's electric arc furnace steelmaking and casting process. The project agreement outlines the steps for analyzing plasma torches in support of the client's energy-transition goals. The client has been referred to as Client C in some of PyroGenesis' previous filings. The client's name shall remain anonymous for competitive and confidentiality reasons.

On November 26, 2024, PyroGenesis announced the receipt of a $2.8 million payment, representing a portion of an outstanding receivable under the existing Dross Processing Services Agreement. As mentioned above, PyroGenesis contracted with PyroGenesis International, which was in turn contracted by Radian Oil and Gas Services Company under the Dross Processing Service Agreement for an order of seven Drosrite aluminum dross recovery systems. For more information on the PyroGenesis International Exclusive Agreement, the Dross Processing Services Agreement, and the relationship between PyroGenesis International and PyroGenesis, see "Directors and Executive Officers – Conflicts of Interest".

Corporate Developments and Financings

On May 21, 2024, PyroGenesis announced that Pyro Green-Gas and certain related persons had settled ongoing legal proceedings involving Gas RNG Systems Inc. and certain related persons. The settlement was concluded on a no-fault basis and resulted in the payment of approximately $1.5 million to the Pyro Green-Gas parties.

On July 3, 2024, PyroGenesis announced the repricing of up to 4,107,850 Common Share purchase warrants. Of the 4,107,850 warrants, (i) 697,500 warrants had an exercise price of $1.75 and expired on October 19, 2024, (ii) 2,380,350 warrants had an exercise price of $1.25 and expired on March 7, 2025, and (iii) 1,030,000 warrants had an exercise price of $1.25 and expire on July 21, 2025. The exercise price of the warrants held by participating holders was reduced to $0.75 per share. Those warrants were also be amended to provide that if at any time before their expiry date, the closing price of the PyroGenesis is greater than $0.9375 over any 5 consecutive trading days, PyroGenesis would be entitled to accelerate the expiry date of the warrants to the date that is 30 days following the date that notice of such acceleration is provided. None of the holders of Warrants that were amended were insiders of the Company.

On July 8, 2024, PyroGenesis announced that it had purchased 100% control of PyroGenesis International (then Drosrite International LLC) for $1.00. PyroGenesis International had already been, on an accounting basis, a subsidiary of the Company, but legally a stand-alone entity. On July 23, 2024, the Company announced that Drosrite International LLC had changed its name to PyroGenesis International LLC.

On July 22, 2024, PyroGenesis completed a non-brokered private placement consisting of the issuance and sale of 3,505,750 units at a price of $0.80 per unit, for gross proceeds of $2,804,600. Each unit consisted of one Common Share and one Common Share purchase warrant. Each warrant entitles the holder to purchase one Common Share at a price of $1.20 during the twelve months following the closing date of the private placement. Among the purchasers, Mr. P. Pascali directly and indirectly subscribed to

1,450,000 units and a strategic investor group who was in the process of acquiring Radian Oil and Gas Services, subscribed to 400,000 units.

On November 5, 2024, PyroGenesis changed its name from PyroGenesis Canada Inc. to PyroGenesis Inc. On November 7, 2024, the company changed its head office and registered address from 1744 William Street, Suite 200, Montréal, Québec, Canada, H3J 1R4 to 1100 René-Lévesque Boulevard West, Suite 1825, Montréal, Québec, Canada, H3B 4N4.

On December 19, 2024, PyroGenesis announced an agreement with HPQ Silicon to resolve an outstanding liability of $4,941,440 owed to PyroGenesis, using a debt-to-equity conversion. Under the agreement, the outstanding liability was converted into 17,968,873 units at a price of $0.275 per unit. Each unit was comprised of one common share of HPQ Silicon and one common share price warrant. Each warrant entitles PyroGenesis to acquire one common share of HPQ Silicon at a price of $0.285 for a period of two years. In keeping with securities law, the shares and warrants are subject to a hold period of four months and one day from the date of the issuance.

5.3. Year Ended December 31, 2025

Business Highlights and Milestones

On January 27, 2025, PyroGenesis announced that its subsidiary Pyro Green-Gas had signed a contract totaling $2.5 million with one of the world's largest integrated environmental services companies as part of a large urban waste-to-energy project. The contract is for the engineering, design, and delivery of components related to gas "flaring", that provides for the safe and environmentally friendly removal of peripheral emissions considered unworthy of processing during the production of renewable natural gas (RNG). The technology will be installed at a large US-based organic waste-to-RNG facility, which was built to produce pipeline-quality natural gas that can be added to the natural gas supply for a major U.S. metropolitan area.

On February 24, 2025, PyroGenesis announced the signing of a $2.4 million contract with aluminium and renewable energy company Norsk Hydro ASA as part of the client's stated plan to test plasma technology as one of the ways to replace fossil fuel with renewable alternatives in its aluminum casthouses. The contract is for the engineering, design, manufacturing, and delivery of a PyroGenesis plasma torch system and related peripheral components that will be used to replace existing natural gas-powered furnace burners in an aluminum casthouse furnace. The project will be one of the first in the world to use plasma to melt aluminum on an industrial scale, and will measure energy consumption, melting rate, aluminum quality, and production output among other data.

On February 10, 2025, PyroGenesis announced that recent data from a current project confirms that PyroGenesis plasma torches posted significantly lower operational energy requirements, with savings of up to 45% when compared to legacy diesel burners, with a range of 10-45% reduction depending on the type of operation (e.g. melting, remelting or holding furnaces). These same tests also revealed up to 30% reduction in melting time (i.e. they melt faster, which translates into higher productivity)

On February 18, 2025, PyroGenesis announced that its subsidiary, Pyro Green-Gas Inc., has signed a contract totaling US$511,000 (approx. CA$725,000) with one of the world's largest integrated environmental services companies as part of a large urban waste-to-energy project.

On February 24, 2025, PyroGenesis announced that it has signed a €1.63 million (CA$2.4 million) contract with aluminium and renewable energy company Norsk Hydro ASA ("Hydro") as part of its stated plan to test plasma technology as one of the ways to replace fossil fuel with renewable alternatives in its aluminum casthouses. After announcing its goals in early 2024 to achieve net-zero emissions across the entire aluminum value chain by 2050, Hydro initiated a competitive process to select a plasma technology partner, and PyroGenesis was ultimately selected. Hydro intends to melt the first aluminum in the R&D casthouse at Sunndal during 2026. Hydro's Sunndal plant is the largest and most modern primary aluminum plant in Europe. The facility, which also houses remelting, casthouse, and research and development activities, produces over 400,000 tonnes of primary aluminum, 500,000 tonnes of casthouse products, and 80,000 tonnes of anodes annually.

On February 27, 2025, PyroGenesis announced that the next milestone for the fumed silica reactor ("FSR") pilot plant has been reached, with its successful week-long operation and the production of the first batch of materials. This initial test was designed to evaluate the system's ability to precisely regulate the feedstock thermal profile, encompassing pre-heating, controlled heating rates, and stabilization at target operational parameters required for fumed silica synthesis. The material produced was visually analyzed and confirmed to be consistent with material seen in the previous lab-scale production.

On March 03, 2025, announced that, given intense public speculation and investor requests, PyroGenesis identifies Boeing as the global aerospace original equipment manufacturer that had previously been unnamed in PyroGenesis' press releases. PyroGenesis further confirms that PyroGenesis' Ti64 "coarse" metal powder with a size fraction in the range of 45µm to 150µm, produced by PyroGenesis' NexGen™ plasma atomization system, has met all technical requirements for Boeing, and PyroGenesis continues to move forward in the approved supplier list process.

On March 11, 2025, PyroGenesis announced the signing of a memorandum of understanding ("MOU") with GE Vernova's Power Conversion & Storage business. The MOU, announced in conjunction with GE Vernova, initiates discussions toward a multi-year strategic collaboration in the development and testing of PyroGenesis technologies that replace fossil fuel combustion in high temperature processes with all-electric plasma torches. This would specifically target multi-megawatt industrial processes of the type required by aluminum and steel producers, or calcination processes such as in the alumina, cement, and quicklime industries.

On May 15, 2025, PyroGenesis announced that material produced during the latest phase of system testing of the Fumed Silica Reactor pilot plant has been successfully retrieved from the baghouse. The material, assumed to be fumed silica, has been sent to a 3rd party laboratory for analysis.

On May 21, 2025, PyroGenesis announces that independent analysis of material produced during the latest phase of system testing of the Fumed Silica Reactor is in fact fumed silica.

On May 29, 2025, PyroGenesis announced that the Company has received official confirmation of approved supplier status with Boeing. PyroGenesis' Ti64 "coarse" metal powder with a particle size that is within the range of 53-150µm (microns) has been qualified for use and added to Boeing's qualified list of metal powders available for use in additive manufacturing.

On July 02, 2025, PyroGenesis announced that it has signed a contract for €379,000 (approximately CA$600,000) with one of the world's largest integrated environmental services companies, expanding

PyroGenesis' relationship with this client to include developing a solution for the plastic waste problem in Europe. The client operates more than 100 waste treatment sites and facilities across Europe.

On July 15, 2025, PyroGenesis announced that its subsidiary, Pyro Green-Gas Inc., has completed the previously announced $9.3 million coke-oven gas valorization (via purification, desulphurization, and heavy hydrocarbon removal) and hydrogen production project for Tata Steel, one of the world's largest diversified steel producers.

On July 28, 2025, PyroGenesis announced that third-party Scanning Electron Microscopy analysis of Phase 1 Test #5 material from the Fumed Silica Reactor further validates recently announced key technical metrics for fumed silica samples generated by the pilot scale plant, and that the fumed silica morphology was consistent with commercial-grade fumed silica.

On July 31, 2025, PyroGenesis announced receipt of a contract for titanium metal powder produced by PyroGenesis' NexGen™ plasma atomization process, from a European engineering and material science firm specializing in the additive manufacturing industry. The client previously received and tested samples of PyroGenesis' metal powder. The contract announcement, the first commercial order with this customer, is for a Ti64 "coarse" cut titanium metal powder, of the type that was recently qualified for use and added to the approved list of metal powders by a major global aerospace company.

On August 05, 2025, PyroGenesis announced that it has signed an additional contract with Constellium, one of the world's largest aluminum transformation and recycling companies, for the purchase of plasma torch technology and related peripheral components to be implemented in an aluminum remelting furnace as part of a broader decarbonization effort. This contract marks the launch of Phase 2 of the project – industrial implementation – as part of the two companies' collaboration agreement of April 2024. The collaborative agreement outlined Constellium's stated plan to use PyroGenesis plasma torches and associated processes as potential replacement heating sources for aluminum remelting furnaces in Constellium's aluminum cast houses.

On September 02, 2025, PyroGenesis announced that it has signed an US$871,000 (CAD$1,198,000) contract with a European cement industry customer for the supply of a plasma torch system for a calcination furnace. A calcination furnace (also known as a calciner), can be used for various steps in the cement process, including for high temperature processing of limestone, quicklime, and trona, to produce lime, clinker, and soda ash, all of which are key components of cement, contributing to its binding properties, strength and durability. Fossil fuel combustion and CO_2 released during the calcination process are major sources of emissions in the cement industry. Approximately 40% of greenhouse gas emissions in cement production comes from the combustion of fuel needed to generate the heat required in the calcination process. The use of PyroGenesis' plasma torches could drive substantial decarbonization and efficiency gains across the industry.

On September 04, 2025, PyroGenesis announced that the August performance trials and modifications of its fumed silica reactor pilot plant (the "FSR") have resulted in significant progress across a number of essential product parameters, bringing the system closer to commercial readiness. The results were provided by a third-party, a global manufacturer of fumed silica, who conducted analysis on fumed silica sample material submitted by PyroGenesis after the latest series of FSR operational tests.

On December 03, 2025, PyroGenesis announced that it has signed a EUR815,000 (CAD$1,324,000) contract with a European cement industry customer for the supply of a plasma torch system for the electrification of a calcination furnace. The contract is with a global leader in mining and minerals within

the cement industry. The goal is to effectively use a plasma torch in a calcination furnace, a key step in the cement production process. For this project, the client is evaluating the use of a CO_2-powered plasma torch. The CO_2 will be captured from other processes and, in a closed-loop system, redirected to the plasma torch to heat the calcination furnace. The client will test the plasma system for 9 months, as part of an existing multi-year initiative that aims to demonstrate that electric heating can substitute fossil fuel combustion in the cement industry.

On December 08, 2025, PyroGenesis announced the recent signing of a half-tonne contract with a Global Aerospace Leader for the supply of titanium metal powder produced by PyroGenesis' NexGen™ plasma atomization process. This contract was achieved as part of a competitive bid process and represents the first order received since official supplier status was granted to PyroGenesis by the client after a multi-year certification process. The contract is for the supply of "coarse" cut Ti64 powder (particle size: 45-150µm [microns]).

On December 10, 2025, PyroGenesis announced the recent signing of an initial order of "fine cut" titanium powder produced by PyroGenesis' NexGen™ plasma atomization process. The customer is a contract manufacturer specializing in titanium-based additive manufacturing for the consumer product and healthcare industries.

On December 11, 2025, PyroGenesis announced the recent signing of a contract with a company engaged in large-scale battery recycling, for the testing of high-temperature plasma during the material recovery and new battery production process. The client is one of the largest of its kind in the world. The project scope includes testing of PyroGenesis' plasma technology for superheating materials as part of the process to recover certain cathode or anode materials from end-of-life batteries.

On December 15, 2025, PyroGenesis announced the delivery of 3.5 tonnes of titanium powder under a new powder supply agreement with a U.S. minerals and metal technology company. This powder was produced by PyroGenesis' NexGen™ plasma atomization process. The customer previously received and tested PyroGenesis' samples prior to signing this agreement. The supply agreement is to deliver high quality "off-cuts" of PyroGenesis' titanium metal powder, with recurring orders as needed. "Off-cut" powders are powders in particle sizes not currently being used by the existing range of commercial metal 3D-printers used in industrial additive manufacturing, but which has latent value, as it maintains consistent chemistry and characteristics appropriate for industrial reprocessing. PyroGenesis has been stockpiling these powders for eventual use, with the assumption that the continuous evolution of the additive manufacturing industry as well as the inherent higher quality of PyroGenesis' NexGen™ plasma atomized metal powder, would eventually combine to deliver a market demand for this material.

On December 17, 2025, PyroGenesis announced the recent signing of an initial design phase contract with a European organization specializing in radioactive waste processing and nuclear decommissioning, The contract announced is for a design phase contract toward the development of a plasma furnace that can be utilized in the customer's radioactive material treatment process, specifically in the destruction of low-level radioactive waste.

Corporate Developments and Financings

On January 31, 2025, PyroGenesis announced that up to 1,710,350 Common Share purchase warrants would be amended. Of the 1,710,350 warrants, 1,520,350 warrants had an exercise price of $0.75 and

190,000 warrants had an exercise price of $1.25. The modified exercise price of the warrants of participating holders was reduced to $0.60 per share. The warrant certificates were also amended to reflect the change in PyroGenesis' corporate name and address. None of the participating holders were insiders of PyroGenesis. The warrants expired on March 7, 2025.

On May 5, 2025, PyroGenesis announced that it has completed a non-brokered private placement consisting of a loan (the "Loan") in the amount of up to $5,750,000 with P. Peter Pascali (the "Lender") who as the President and CEO of PyroGenesis, is a related party. The Loan may be advanced in up to three tranches, at such times and in such amounts as shall be mutually agreed upon by PyroGenesis and the Lender, provided that the final tranche shall be advanced no later than June 16, 2025. The Loan includes a one-time, non-refundable, upfront fee of $300,000, and bears an interest rate of 5% per annum for the first year and 18% per annum thereafter. Interest is to be paid monthly. The Loan will mature three years following the effective date of the Loan. However, PyroGenesis has the right to prepay the balance of the Loan at any time upon five days prior written notice to the Lender. As part of the Loan, PyroGenesis granted to the Lender share purchase warrants ("Warrants") to subscribe for up to 12,554,585 common shares of PyroGenesis ("Common Shares") at a purchase price of $0.458 per share (representing the per share volume weighted average trading price, "VWAP", of the Common Shares on the TSX for the ten trading days immediately prior to the effective date of the Loan). The total number of Warrants that will be issued shall equal the value of the Loan amount funded (or applicable tranche) divided by the purchase price per share. The Warrants expire four years following the effective date of the Loan and will be subject to a hold period of four months and one day in accordance with applicable securities laws.

On May 12, 2025, PyroGenesis announced it had successfully closed the first tranche of the previously announced non-brokered loan with P. Peter Pascali (the "Lender"). Under this first tranche, PyroGenesis received $2,385,000. As previously disclosed, PyroGenesis and the Lender may agree to one or more tranches of up to an additional $3,365,000 on or before June 16, 2025 (for a total loaned amount of up to $5,750,000). In connection with this tranche, PyroGenesis has issued 5,207,423 common share purchase warrants to the Lender. Each warrant entitles the Lender to acquire one common share of PyroGenesis at an exercise price of $0.458 per share for a period of four years from the effective date of the loan, subject to a hold period of four months and one day in accordance with applicable securities laws.

On June 9, 2025, PyroGenesis announced that up to 1,581,250 common share purchase warrants (the "Warrants") will be amended. The Warrants, which have an exercise price of $1.20, will currently expire on July 22, 2025. Commencing on June 25, 2025, the expiration date of the Warrants held by holders wishing to participate in this proposal will be extended until November 18, 2025. The warrant certificates will also be amended to reflect the changes in PyroGenesis' corporate name and address, which occurred after the Warrants were initially issued. All other terms of the Warrants will remain unchanged. The implementation of these amendments remains subject to the finalization of the documentation with the applicable holders of Warrants. None of the holders of Warrants that are to be amended are insiders of the Company.

On October 1, 2025, PyroGenesis announced that it intends to complete a non-brokered private placement (the "Private Placement"), which has been conditionally approved by the Toronto Stock Exchange ("TSX"). The Private Placement consists of two Unit Groups: First Unit Group: The issuance and sale of 6,666,665 units at a price of $0.63 per unit, for aggregate gross proceeds of $4,199,999. Each unit consists of one common share of the Company (a "Common Share") and one common share purchase warrant. Each warrant entitles the holder to purchase one Common Share at a price of $0.28 for a period

of forty-eight (48) months following the closing date. It is expected that the CEO will subscribe for the majority, if not all, of this Unit group. Second Unit Group: The issuance and sale of 4,000,000 units at a price of $0.20 per unit, for approximate gross proceeds of $800,000. Each warrant under this group entitles the holder to purchase one Common Share at a price of $0.40 for a period of twenty-four (24) months following the closing date. The closings of both Unit Groups are expected to occur in up to three (3) tranches each. The Common Shares and warrants issued in connection with the Private Placement, and the Common Shares underlying the warrants, will be subject to a statutory hold period of four months and one day from the date of closing, in accordance with applicable securities legislation. Among the interested participants, P. Peter Pascali, the President and CEO of PyroGenesis, intends to directly subscribe for approximately $4,000,000, for up to 6,666,665 units at $0.63.

On October 16, 2025, PyroGenesis announced that it has completed the first tranche of the First Unit Group of the previously announced non-brokered private placement (the "Private Placement") by issuing and selling an aggregate of 5,555,556 units (the "Units") of the Company at a price of $0.63 per Unit, for gross proceeds of approximately $3,500,000 to the Company. Each Unit within the First Unit Group consists of one common share of the Company (a "Common Share") and one common share purchase warrant (the "Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of $0.28 for a period of forty-eight (48) months following the closing date. The Common Shares and Warrants issued in connection with the Private Placement, and the Common Shares underlying the Warrants, will be subject to a statutory hold period of four months and one day from the date of the closing, in accordance with applicable securities legislation. P. Peter Pascali, the President and CEO of PyroGenesis, directly subscribed for the entire first tranche, representing an investment of approximately $3,500,000, through the acquisition of 5,555,556 Units at a price of $0.63 per Unit.

On October 17, 2025, PyroGenesis announced that up to 1,581,250 common share purchase warrants (the "Warrants") will be amended. The Warrants, which have an exercise price of $1.20, will currently expire on November 18, 2025. Commencing on November 3, 2025, the exercise price and expiration date of the Warrants held by holders wishing to participate in this repricing will be reduced to $0.63 per share and will be extended until July 17, 2026. Those Warrants would also be amended to provide that if at any time before their expiry date, the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") is greater than $0.80 (such amount being 127% of $0.63) over any 3 consecutive trading days, the Company will be entitled, within 15 days of the occurrence of such event, to accelerate the expiry date of the Warrants to the date that is 30 days following the date that notice of such acceleration is provided. Such notice shall be deemed to have been provided upon either the email notification of the holders of such Warrants or the issuance of a press release by the Company announcing the achievement of the acceleration event. All other terms of the Warrants will remain unchanged. The implementation of these amendments remains subject to the finalization of the documentation with the applicable holders of Warrants. None of the holders of Warrants that are to be amended are insiders of the Company.

On October 29, 2025, PyroGenesis announced the Company has completed the first tranche of the Second Unit Group of the previously announced non-brokered private placement (the "Private Placement") by issuing and selling an aggregate of 4,110,000 units (the "Units") of the Company at a price of $0.20 per Unit, for gross proceeds of approximately $822,000 to the Company. This tranche is slightly oversubscribed. Each Unit within the Second Unit Group consists of one common share of the Company (a "Common Share") and one common share purchase warrant (the "Second Unit Group Warrant"), at a price of $0.20 per Unit. Each Second Unit Group Warrant entitles the holder to purchase one Common Share at a price of $0.40 for a period of twenty-four (24) months following the closing date. The Common

Shares and Warrants issued in connection with the Private Placement, and the Common Shares underlying the Warrants, will be subject to a statutory hold period of four months and one day from the date of the closing, in accordance with applicable securities legislation.

On November 28, 2025, PyroGenesis announced the Company has closed the final tranche of the 2nd unit group of the previously announced non-brokered private placement (the "Private Placement"). The Private Placement sold 14,185,969 units for gross proceeds of $5,226,083 and is now closed. Each unit of the 1st unit group consists of one common share of the Company (a "Common Share") and one common share purchase warrant (the "1st Unit Group Warrant"), at a price of $0.63 per unit. Each 1st Unit Group Warrant entitles the holder to purchase one Common Share at a price of $0.28 for a period of forty-eight (48) months following the closing date. Each unit of the 2nd unit group consists of one Common Share of the Company and one common share purchase warrant (the "2nd Unit Group Warrant"), at a price of $0.20 per unit. Each 2nd Unit Group Warrant entitles the holder to purchase one Common Share at a price of $0.40 for a period of twenty-four (24) months following the closing date.

On December 23, 2025, PyroGenesis announced that is has provided a 90-day notice to EarthGrid that PyroGenesis will end the exclusivity arrangement and cancel the existing master agreement with EarthGrid for tunneling-related projects. As announced in a press release dated January 16, 2024, PyroGenesis had received a non-refundable down payment totaling US$500,000 from a US-based technology company, which PyroGenesis subsequently disclosed as EarthGrid. The non-refundable down payment was made pursuant to a signed Master Agreement between PyroGenesis and EarthGrid and provided for a period of exclusivity, during which EarthGrid expected to secure financing and complete a first statement of work with PyroGenesis. The terms of exclusivity were subsequently extended between PyroGenesis and EarthGrid. Given recent developments, PyroGenesis believes the best route forward is to release both parties from the terms of the Master Agreement and end exclusivity as of the conclusion of the 90-day notification period. At the end of the 90-day period, PyroGenesis will be free to pursue tunneling-related projects with other interested parties.

6. Business of the Company

6.1. General

PyroGenesis develops technology to transform high temperature processes for heavy industry and defense, which can result in improved operational efficiencies, higher product quality, increased output, lower cost, lower emissions, simplified logistics, reduced carbon footprint, and safer working/living environments. Most of the technologies stem from the Company's core expertise in plasma.

PyroGenesis leverages 35 years of plasma technology leadership to deliver advanced engineering solutions to energy, propulsion, destruction, process heating, emissions, and materials development challenges across heavy industry and defense. Its customers include global leaders in aluminum, aerospace, steel, iron ore, utilities, environmental services, military, and government.

From its Montreal headquarters and local manufacturing facilities, PyroGenesis' engineers, scientists, and technicians drive innovation and commercialization of energy transition and ultra-high temperature technology. PyroGenesis' operations are ISO 9001:2015 and AS9100D certified, with ISO certification

maintained since 1997. PyroGenesis' shares trade on the TSX (PYR), OTCQX (PYRGF), and Frankfurt (8PY1) stock exchanges.

6.2. Products and Services

The Company's technology solutions are categorized across three business verticals:

1. Energy Transition:

   Plasma-based fuel switching solutions to help heavy industry electrify high-temperature processes, modify the energy mix, and lower emissions.

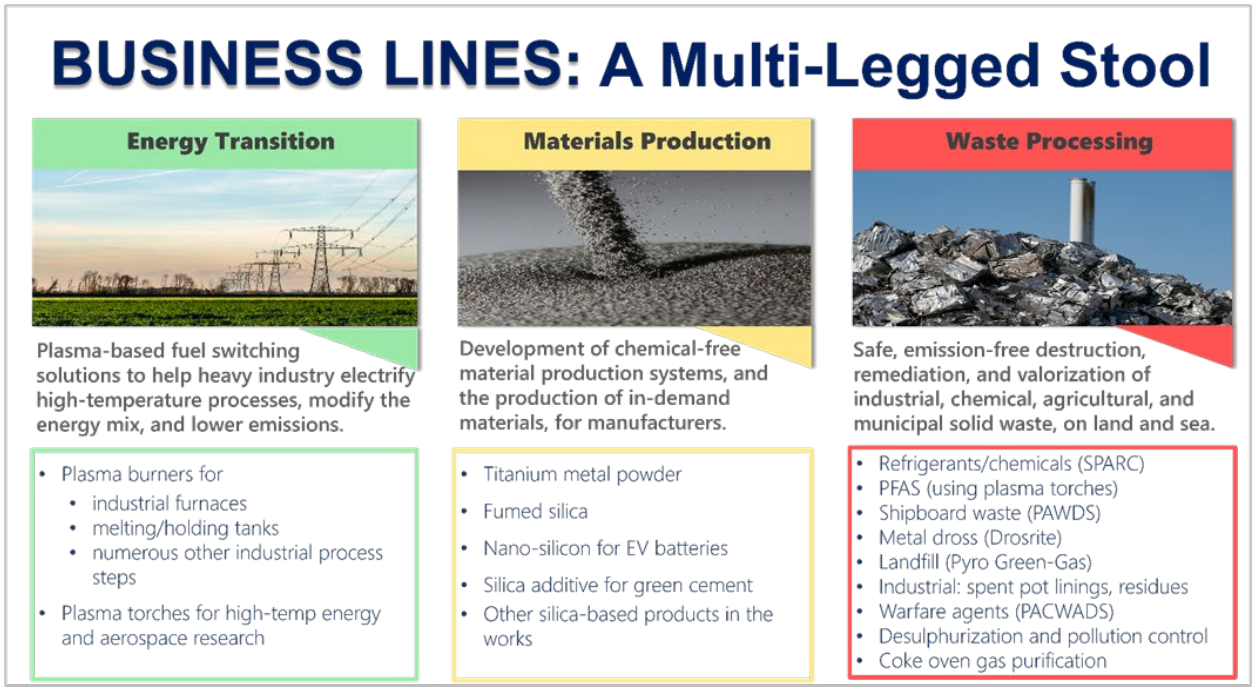
2. Materials Production:

   Development of chemical-free material production systems, and the production of in-demand materials, for manufacturers.

3. Waste Processing:

   Safe, emission-free destruction, remediation, and valorization of industrial, chemical, agricultural, and municipal solid waste, on land and at sea.

Within each business vertical the Company offers a wide array of technology solutions at different stages, from early-stage R&D to pre-commercial pilots, to commercial-ready and fully commercialized:



A non-comprehensive list of products and services include:

- Plasma torch systems, used for, among other things, replacing conventional fossil-fuel burners in high temperature industrial applications, such as metal melting, heating, and holding furnaces and various heated process steps for sectors such as aluminum and steel;

- Waste processing systems (for remediation, destruction, and waste-to-energy), offered predominantly to customers in the environmental and defense industries, for the destruction of combustible and organic waste, end-of-life refrigerants, chemical weapons, and plastic industry synthetic compounds such as per- and polyfluoroalkyl substances (PFAS), often referred to as "forever chemicals";

- Systems for the recovery of aluminum and other metal from "dross" (a waste byproduct generated by primary and secondary metal producers), offered mainly to customers in the mining and metallurgical industries;

- Production of high purity spherical metal powders, which are predominantly offered to customers in the additive manufacturing (also known sometimes as 3D printing) industry;

- Development of processes to produce high purity silicon metals, nano powders and nanowires, offered predominantly to customers in the mining and metallurgical industries as well as those in the battery manufacturing and/or disposal business;

- Systems for upgrading of biogas and landfill gas into renewable natural gas, used in the environmental industry;

- Systems used in the petrochemical and metallurgical industries for the purification of industrial gases, including the extraction of hydrogen from coke oven gas, the purification of natural gas into high purity methane, and the purification of pyrolytic gases;

- Development of a process to produce fumed silica, used in the polymer, cosmetics, and paint industries;

- Installation, commissioning, and start-up services; and

- Internally and externally funded research and development projects.

Energy Transition (Plasma Torches for High Temperature Industrial Furnace Applications and Process Steps)

PyroGenesis manufactures and commercializes proprietary plasma torches and plasma torch systems that can replace the fossil fuel burners that are used to heat industrial process steps and high temperature

furnaces. The Company's plasma torches generate heat up to 10,000°F, which is as hot as the surface of the sun.

In conventional technology, the process heat for industrial furnaces is provided by the burning of fossil fuels, most often natural gas, diesel fuel, and bunker fuel. The combustion of fossil fuels in these burners results in the production of greenhouse gases (GHGs), notably carbon dioxide. Because plasma torches use renewable electricity to generate heat, they offer an environmentally attractive alternative to fossil fuel burners.

The objective of the Company is to be a significant player in the world-wide movement to reduce the carbon footprint in heavy industries. The Company believes its solutions can be economically attractive with greater environment benefits than the traditional alternatives. By using the Company's solutions, companies can convert their existing burners and systems often without needing to shut down their facility for installation. Technological advancements made by the Company over the past few years have significantly improved the business case for all-electric plasma torches, as the company has focused on improvements in power levels and process efficiencies. As a result, the company has scaled the power level of its torches from 900kw in 2020 to 4.5MW in 2025 (delivered to the client in January 2026), with a 20MW plasma torch contract signed in Oct. 2024. By the Company's research, this will be the most powerful commercially developed plasma torch ever produced. Beyond the environmental benefits, plasma torches can now, in many cases, offer improved operational efficiencies, higher product quality, increased output, lower cost, lower emissions, simplified logistics, reduced carbon footprint, and safer working/living environments.

Waste Processing (Systems for Remediation, Destruction and Waste-to-Energy)

PyroGenesis manufactures and commercializes a broad range of waste remediation, destruction and waste-to-energy systems to customers in the environmental and defense industries. At the core of these systems are the Company's plasma torches and plasma gasification reactors. The Company believes it offers one of the most complete, easy-to-operate, high temperature, plasma-based treatment systems. The systems offered by the Company include the following:

- Plasma Arc Waste Destruction Systems ("**PAWDS**") for waste destruction onboard ships at sea;
- Steam Plasma Arc Refrigerant Cracking ("**SPARC**") systems for the destruction of certain hazardous end-of-life refrigerants, including chlorofluorocarbons ("**CFCs**"), hydrofluorocarbons ("**HFCs**") and hydrochlorofluorocarbons ("**HCFCs**");
- Plasma Arc Chemical Warfare Agent Destruction Systems ("**PACWADS**"), which are mobile platforms for the onsite destruction of chemical warfare agents, such as Sarin, Mustard Gas, VX, and Soman;
- Plasma Resource Recovery Systems ("**PRRS**") for land-based waste destruction and waste-to-energy applications;
- Plasma torches to aid in the destruction of harmful Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS), which are widely known as "forever chemicals" due to a strong molecular bond that resists degradation and have been connected to worldwide health issues;

- Plasma torches for waste gasification and combustion; and
- Plasma Arc Gasification and Vitrification ("**PAGV**").

PyroGenesis also has several other waste remediation solutions in development or undergoing research and testing, including processes for valorization of the toxic residue of processed aluminum metal dross, the recovery and valorization of the interior coatings of aluminum smelters, known as spent pot linings (SPL), and a process for transforming mining waste and recycled minerals into high-value metal such as magnesium.

Plasma Arc Waste Destruction System (PAWDS)

Originally developed by the Company in the late 1990s for the gasification of waste onboard US Navy aircraft carriers, PAWDS was the first plasma destruction system for marine use on US Navy aircraft carriers. PAWDS uses the plasma eductor for the fast gasification of milled waste. Navy waste is comparable to the combustible fraction of municipal solid waste, comprised of paper, cardboard, plastics, wood and rags. Since launching PAWDS in 1999, the Company received orders for four PAWDS for the US Navy, two of which have been delivered and installed on the Gerald R. Ford (CVN-78) and the John F. Kennedy (CVN-79) aircraft carriers, and two of which are to be installed in two planned aircraft carriers during the construction of those vessels. All four systems have been manufactured and delivered to the Navy shipbuilding yards. Developed in collaboration with the US Navy, at 1/5th the size and half the weight of a typical marine incinerator, the patented PAWDS has a capacity of 3.5 tons/day. PAWDS is a highly compact, inherently safe and efficient alternative to the shipboard waste incinerators.

Steam Plasma Arc Refrigerant Cracking (SPARC)

The SPARC process is the Company's patented technology for the destruction of end-of-life refrigerants such as CFCs, HFC and HCFCs. The system is pre-assembled on skids and has demonstrated high destruction and removal efficiency of more than 99.9999%. The SPARC system uses a water vapour (steam) torch to destroy the refrigerants quickly and efficiently. The system is designed to handle wastes that have very high chlorine and fluorine content. An integrated caustic scrubber ensures that hydrochloric acid (HCl) and hydrofluoric acid (HF) emissions are well below accepted limits. When the process is complete the hazardous refrigerants are destroyed, and the fully cleaned gas is safely released back into the atmosphere. The base system is designed for a destruction capacity of 50 kilograms per hour based on the refrigerant R12.

Plasma Arc Chemical Warfare Agent Destruction System (PACWADS)

PACWADS was developed by the Company for the US and UK special forces to destroy chemical warfare agents on site. The system is installed on two trailers and can be deployed quickly in areas where chemical warfare agents must be immediately destroyed. Performance tests on simulants have demonstrated destruction and removal efficiency of more than 99.99999%. The system is designed to destroy the equivalent of two barrels (or approximately 318 litres) per day of sarin, a deadly nerve gas, and is also suitable for the destruction of a variety of other chemical warfare agents.

Plasma Resource Recovery System (PRRS)

The PRRS is used to convert waste to syngas (synthesis gas) and inert slag (a glass-like by-product left over after a desired metal has been separated (i.e., smelted) from its raw ore). The PRRS combines a direct current graphite arc furnace, where the inorganic portion of waste is vitrified, and the organic portion is gasified. The produced syngas is then cleaned up in a plasma-fired eductor, similar to the one used in the PAWDS technology, where tars are converted into clean syngas (i.e. carbon monoxide and hydrogen). The resulting syngas is further cleaned of contaminants (such as HCl, sulfur compounds, particulates and volatile heavy metals) using filters and scrubbers. The resulting syngas can be used as fuel in a gas engine. The inert slag can be used as construction material.

Plasma Torches to Aid in the Destruction of PFAS

The Company's plasma torches can be used in systems that destroy PFAS, the Perfluoroalkyl and Polyfluoroalkyl Substances known as "forever chemicals", that include more than 14,000 man-made synthetic chemicals that have been widely used in consumer and industrial products across numerous industries (including aerospace, automotive, construction, and manufacturing), for many decades. Plasma torches can be used to directly destroy PFAS that has been removed from ground or materials or can be used in PFAS destruction systems to replace fossil fuels in different process steps such as after-burning. Research indicates that exposure to certain PFAS could result in harmful health outcomes, including an increased risk of cancer, increased cholesterol levels, and immune system effects. Products that may contain PFAS include nonstick cookware, stain resistant coatings used on carpets, upholstery, and other fabrics, water resistant clothing, firefighting foam, cleaning products, personal care and cosmetics products and many other products that resist grease, water and oil. As a result of their widespread use and strong chemical bonds and properties, which account for their persistence in the environment, PFAS are proving to be persistent pollutants. They affect humans and wildlife, as they both have been exposed to these chemicals as they consume contaminated water/food, use products made with PFAS, or breathe air contaminated by PFAS.

Waste Gasification Systems Using Plasma Torches

PyroGenesis' plasma torch systems are used in waste-to-energy applications, advanced material production, metallurgical processing, thermal treatment and nanotechnology manufacturing. As a cleantech alternative to fossil fuel burning, PyroGenesis' electricity-driven plasma torch systems are easy to operate and offer a high level of safety, reliability and service life of wear components.

Plasma Arc Gasification and Vitrification (PAGV)

PAGV systems convert incinerator ash and other hazardous inorganic material to an inert, non-toxic slag. Slag is a glass like material, composed of several oxides, typically silica based. Using the Company's unique furnace design, the proprietary arc plasma technology uses graphite electrodes and an electrical current to create arcs between the electrodes and the melt, generating a high temperature environment (typically above 1500°C) and melting the mineral matter into slag. This slag can be used in a wide range of applications, namely as a building material for construction (e.g. aggregate asphalt and flooring as well as partial replacement for cement in concrete). The PAGV systems minimize future legacy issues for operators of incinerators (notably municipalities as well as managers of incineration operations for industrial, hazardous, biomedical, and animal (slaughterhouse) waste) with a relatively simple melting

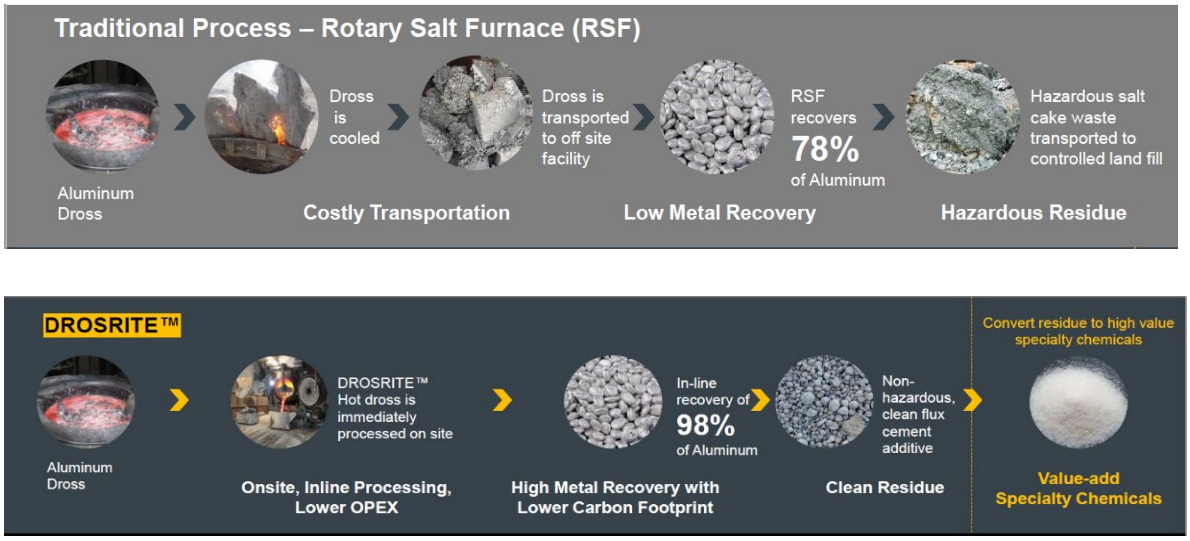
process for their grate and fly ash. Asbestos waste from decommissioning operations is also an excellent use for this technology.

Systems for the Recovery of Aluminum and Other Metal from Dross

Dross, a by-product of the smelting and remelting process for aluminum and other metals, presents the metallurgical industry with challenges and opportunities. Dross is the layer of material that forms on top of molten aluminum when in contact with oxygen. This layer must be constantly removed as a waste product. But since the dross contains a percentage of valuable aluminum, it needs to be processed, which can be at a significant expense. A dross is normally composed of roughly 60% metal and 40% residue. Traditional dross treatment techniques typically contaminate the residues with salt. Metallurgical companies aim to recover metal found in dross while properly disposing of the oft-contaminated residue.

PyroGenesis produces systems for the recovery of aluminum and other metal from dross through its DROSRITE process. This process is a salt-free, cost-effective, sustainable process for maximizing metal recovery from dross without any hazardous by-products. By using the DROSRITE technology, the residues can be converted into high-margin chemical and metallurgical products, including ammonium sulphate and aluminum sulphate. DROSRITE allows the treatment of dross at its source of generation in a controlled atmosphere, tilting rotary furnace, and minimizes costly loss of metal while reducing a smelter's carbon footprint and energy consumption.

The following compares DROSRITE to the traditional process for the recovery and treatment of dross:



These systems are predominantly offered to customers in the metallurgical industry, targeting mainly the aluminum and zinc industries.

Upgrading of Biogas and Landfill Gas into Renewable Natural Gas (RNG)

Through Pyro Green-Gas, the Company offers equipment for the upgrading of biogas and landfill gas into RNG. Pyro Green-Gas' equipment combines different technologies and effects the removal of contaminants from biogas and landfill gas, such as hydrogen sulfide, oxygen nitrogen, volatile organic

compounds, and moisture. Pyro Green-Gas can offer both individual equipment and fully integrated turnkey systems to its customers.

Systems for the Purification of Industrial Gases

Through Pyro Green-Gas, the Company offers equipment for gas purification and air emission controls. Pyro Green-Gas can offer both individual equipment and fully integrated turnkey systems to its customers. The technologies can be used, for example, for coke oven gas purification, natural gas purification into high quality methane, and purification of pyrolytic gas and syngas (similar to the substances produced during the application of the Company's PRRS).

Materials Production (Titanium Metal Powder, High Purity Spherical Powders, Fumed Silica)

NexGen Plasma Atomization System to Produce Metal Powders

The Company produces high purity spherical metal powders through its plasma atomization process, which are predominantly offered to customers in the additive manufacturing (also known as industrial 3D printing) industry.

PyroGenesis' patented plasma atomization process (known as NEXGEN plasma atomization) allows the Company to produce and sell high purity spherical metal powders, including titanium alloy powders. Many existing reactive metals cannot easily be transformed into high purity spherical powders, especially not in finer size cuts such as -45µm/+15µm. PyroGenesis' NEXGEN process offers an improved yield in the finer size cuts along with a higher production rate. In addition, PyroGenesis can convert a wider variety of metals and alloys into high purity spherical powders since its plasma torches use argon gas, and the reactor is backfilled with argon. This ensures the powders produced are not exposed to any oxygen during the production process and, as a result, PyroGenesis is able to produce high purity powder such as titanium alloy powders (Ti 6Al-4V grade 23).

Development of Processes to Produce High Purity Silicon Metals, Nano Powders and Nanowires

The Company is developing processes to produce high purity silicon metals through its PUREVAP process and nano powders and nanowires through its PUREVAP NSiR process. These applications are expected to be predominantly offered to customers in the mining and metallurgical industries, including those involved in the making and/or disposal of batteries.

PUREVAP is a patent pending, one-step proprietary process being developed by the Company that uses a plasma arc within a vacuum furnace to produce high purity metallurgical grade silicon and solar grade silicon from quartz. PUREVAP reduces the quartz with carbon using a plasma submerged arc. Under vacuum, and at very low operating pressure, the silicon is refined in a one-step process removing impurities and transforming it to a purer form, resulting in a high purity silicon. The Company expects that the silicon grades produced by PUREVAP will, when commercialized, be used for different applications, including solar energy.

The PUREVAP NSiR process is designed to transform silicon into spherical silicon nano powders and nanowires for use in lithium-ion batteries. This proprietary process is designed to be highly scalable and is hoped to allow the production of silicon nano powders in large quantities at a competitive cost with

other materials used in the lithium-ion space. The PUREVAP NSiR can use different purities of silicon as feedstock.

HPQ Nano, a wholly owned subsidiary of HPQ Silicon, had acquired the intellectual property rights to the PUREVAP NSiR system pursuant to the August 2020 Development and Purchase Agreement. In late 2023, HPQ Nano announced that it would not move forward with the commercialization of said system and, in accordance with the August 2020 Development and Purchase Agreement, the Company exercised its right to have ownership of said intellectual property rights revert to it at no cost in March 2024. See also "*General Development of the Business – Year Ended December 31, 2024*".

Development of a Process to Produce Fumed Silica from Quartz

This plasma-based process allows a direct quartz-to-fumed silica transformation, removing the usage of hazardous chemical in the conventional making of fumed silica and eliminating the hydrogen chloride gas normally associated with its manufacturing. Furthermore, the process requires 15,000 kWh to produce a metric ton of fumed silica, representing a significant reduction in the energy footprint normally associated with manufacturing fumed silica. And because the process uses quartz as feedstock, it is expected that capital requirements to build a plant using this plasma-based process will be significantly less than the capital requirements required to build a traditional fumed silica plant.

HPQ Polvere acquired the intellectual property rights to the fuming silica patent in 2021 and PyroGenesis is entitled to a royalty of 10% on the future annual gross sales of fumed silica by HPQ Polvere, subject to the terms of the contract. The royalty stream can, at any time, be converted by PyroGenesis into a 50% ownership of HPQ Polvere. PyroGenesis also retained a royalty-free, exclusive, irrevocable, worldwide license to use the new system for all purposes other than the manufacturing of nano fumed silica. PyroGenesis announced its intention to exercise its right to convert its annual royalty rights into a 50% ownership of HPQ Polvere. See also "General Development of the Business – Year Ended December 31, 2025".

Installation and Servicing

PyroGenesis offers to its client's installation, commissioning, and start-up services. These services are typically quoted as an option in equipment sales contracts. Separately, PyroGenesis offers aftersales services to its customers, including the sale of spare and replacement parts, consumable parts, and onsite or remote service on installed systems.

Internally and Externally Funded Research and Development Projects

The Company relies on a combination of internally funded and externally funded research and development to grow its intellectual property portfolio. For externally funded research and development, the Company typically retains intellectual property rights for the developed technology, while providing licensing rights to the client in the sector of application and the geographic area of interest to the client.

6.3 Markets and Opportunities

Waste Processing (Systems for Remediation, Destruction and Waste-to-Energy)

Marine Waste Treatment Market (PAWDS)

Marine waste has been an issue for lawmakers and corporations for decades. The disposal of waste overboard is harmful to the marine environment. National governments and international organizations (such as the International Maritime Organization) have adopted rules to minimize the discharge of harmful waste and effluents from commercial and non-commercial ships. At the same time, onboard storage of waste takes up valuable space within the hull of a ship and the eventual disposal in port is costly and, if not handled properly, harmful to the environment. To mitigate this, modern ship builders have incorporated onboard marine incinerators to treat waste. However, these incinerators also occupy significant space, sometimes ascending through several decks of a ship.

PyroGenesis' PAWDS provides an innovative solution to these issues. The entire system can fit in the headroom of a single deck. It is also capable of being started up or shut down in a matter of minutes. Finally, it does not create the same level of GHG, and other harmful emissions associated with traditional incinerators.

At present, the most attractive target market for the PAWDS is military navies. PyroGenesis has and continues to do business with the US Navy and its contractors. PyroGenesis has already outfitted US Navy aircraft carriers with its PAWDS and will continue aggressively exploring this market. The price of each PAWDS built for the US Navy currently ranges between US$5 to 6 million and new US aircraft carriers are built every five to seven years.

In addition to new navy vessels, PyroGenesis also sees a potential market in the retrofitting of existing ships. As of March 2025, the U.S. Navy fleet comprises 239 ships in commission, including 11 aircraft carriers.[1] The Company believes some or all these existing aircraft carriers may be candidates for retrofitting their legacy waste management systems with a PAWDS.

Waste-to-Energy Market (PRRS)

Waste management is a large and growing market on a global scale. The methods of managing waste are shifting from disposal towards recycling and resource recovery. Governments, industries, and society in general are seeking more sustainable waste management practices that have lower environmental impacts than traditional solutions such as landfill or incineration. Just as responsible waste treatment systems are seen as an environment and societal priority, solutions that can transform waste into energy has also seen major growth on a global scale. Recent research identified the global waste to energy market as valued in excess of US$35 billion in 2019, with projections that it will exceed US$50 billion by 2027.[2]

PyroGenesis looks to continue to expand its business in this fast-growing area. The Company believes its PRRS is already a viable and economic alternative for small capacity projects compared to conventional incinerators. The system is well suited for the decentralized treatment of industrial, hazardous, and clinical

[1] https://www.nvr.navy.mil/NVRSHIPS/FLEETSIZE.HTML.

[2] https://www.alliedmarketresearch.com/waste-to-energy-market#:~:text=The%20global%20waste%20to%20energy,4.6%25%20from%202020%20to%202027.

waste. As such, in the short to medium term, the Company is targeting markets that are readily accessible for plasma waste-to-energy conversion, which include industrial, hazardous, non-hazardous remote communities, military bases, and medical wastes. In the medium to long term, the Company also intends to target the municipal solid waste market with larger system capacities of up to 100 tons/day.

PyroGenesis is currently engaged in pilot testing of its PRRS technology with two Canadian clients. The aim of the testing is to establish the design basis for larger commercial systems that will be proposed to the customers following the end of pilot testing. PyroGenesis is working with one such client, Aluminerie Alouette, to create a plasma solution to treat the hazardous solid wastes produced by this industrial client. The Aluminerie Alouette project aims to not only produce energy rich syngas that the client will use to reduce its consumption of purchased fuels, but also to generate a valuable, safe material from the client's waste.

End-of-Life Refrigerant Destruction (SPARC)

The international community has long recognized that certain substances have been having harmful effects of ozone depleting substances ("ODS") as well as impacting climate change. These substances often attack the ozone layer, the protective shield that covers earth's atmosphere and protects its ecologies and inhabitants from harmful solar UV and UVC radiation. They also can lead the emission of GHGs, which alters the global climate. Refrigerants used in the refrigeration cycle of air conditioning systems and heat pumps have played a significant factor in both. CFC and HCFC refrigerants are potent ODSs, while CFC, HCFC, and HFC refrigerants all contribute to GHG emissions. While emissions from ODS have started to fall and the ozone layer slowly heal, there remains an active need for safe and effective means of controlling and disposing of these harmful refrigerants. PyroGenesis' SPARC system uses plasma technology to destroy CFCs, HCFCs and HFCs, including from end-of-life cooling apparatus. These gases must typically be destroyed when they cannot be recycled.

PyroGenesis continues to explore potential applications for the SPARC technology, especially in markets with limited conventional incineration capacity. Government-run or -mandated entities, such as product stewardship organizations or industry trusts, that are tasked with the collection and safe disposal of these hazardous materials, are the most likely target market. An example is the project initiated with The Trust for the Destruction of Synthetic Refrigerants, a New Zealand government-mandated industry stewardship organization, in which the SPARC system will be used to destroy refrigerants and assist New Zealand in its ambitious goals to reduce synthetic gas emissions. On March 20, 2026, New Zealand's National Refrigerant Destruction Facility was officially unveiled. The facility utilizes PyroGenesis' SPARC system, allowing New Zealand to destroy end-of-life refrigerants locally instead of continuing the process of storing and shipping the hazardous gases to Australia for destruction.

Systems for the Recovery of Aluminum and Other Metal from Dross

Dross is a by-product of the smelting process for aluminum and other metals. As described early in this document, dross presents both a challenge and an opportunity for those in the metallurgical industry. Dross is typically composed of both metal and residue, and companies want to recover the valuable metal while treating and/or disposing of the residue, which is usually contaminated.

Aluminum is one of the most popular metals in the world. Global annual production of aluminum exceeds 65 million metric tons and, from that aluminum production, nearly 5 metric tons of dross is

generated annually.[3] While this presents exciting opportunities for PyroGenesis, it is important to note that more than half of all aluminium is produced in China, a market that the Company does not do much business in and which is traditionally complicated to enter (for reasons which include a relative lack of intellectual property protection, restricted market conditions, and a sometimes politicized commercial environment). Because the DROSRITE technology not only allows users to recover valuable metal but also treat dross and create valuable residues, PyroGenesis has an opportunity to become a leader as an onsite dross processor that delivers a zero-landfill/reduced carbon solution.

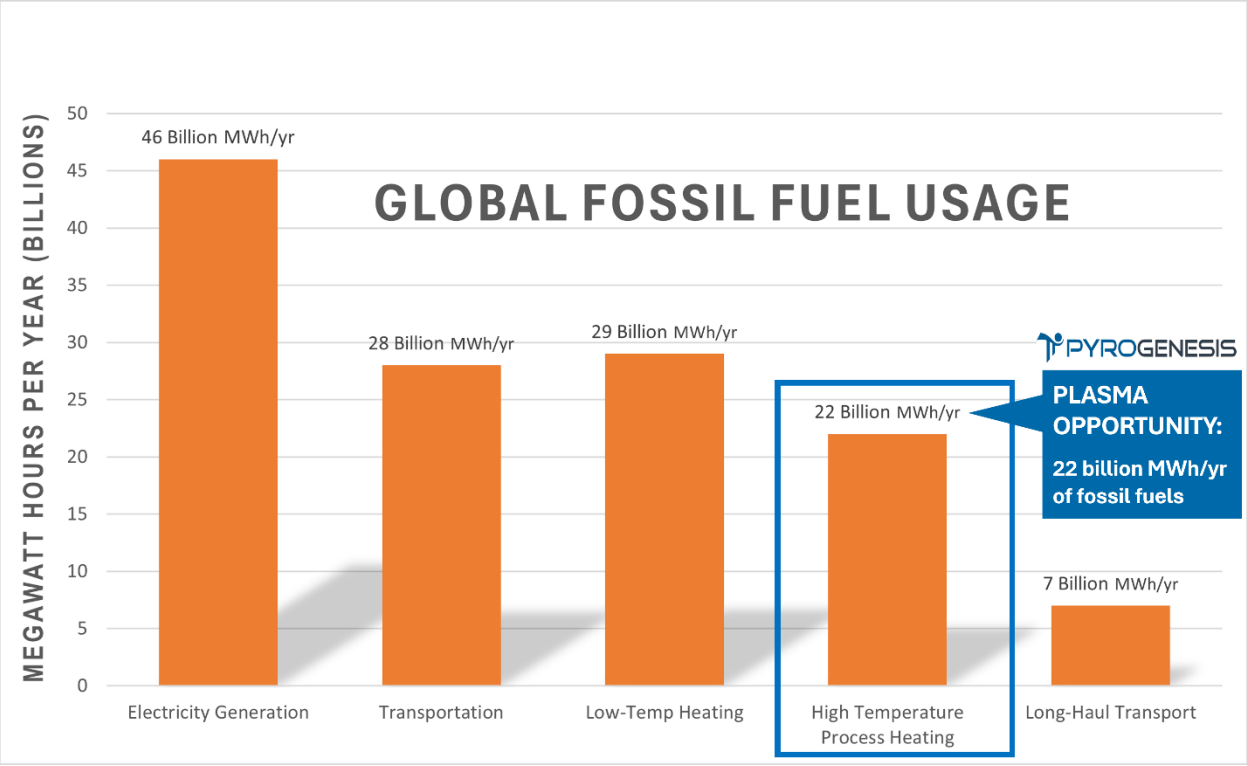
Renewable Natural Gas

The biogas industry is well established on a global level and remains strong in North America. Investments in biogas production and purification represent approximately $20 billion. There are many RNG plants in operation or in development and the market for RNG purification remains highly competitive.

Energy Transition (Opportunity for Plasma Torches in Heavy Industry)

A plasma torch is a device for generating a directed flow of plasma and as indicated in numerous parts of this document, can be used in several industrial applications. PyroGenesis' plasma torches are used in, among other things, waste treatment systems (waste gasification and vitrification), its PAWDS and PRRS systems, thermal spray (plasma spray) in advanced materials production, various heavy industries to heat high temperature processes and furnaces, and metallurgical applications.

Plasma torches can be effective and relatively safe replacements to conventional fuel or gas burners in industrial furnaces or various high temperature process steps across multiple heavy industries. High temperature process heating uses the equivalent of 22 billion megawatt hours per year of fossil fuels. With the growing industrial trend toward energy transition and electrification of processes, this category of fossil fuel use indicates the key target market.



[3] (
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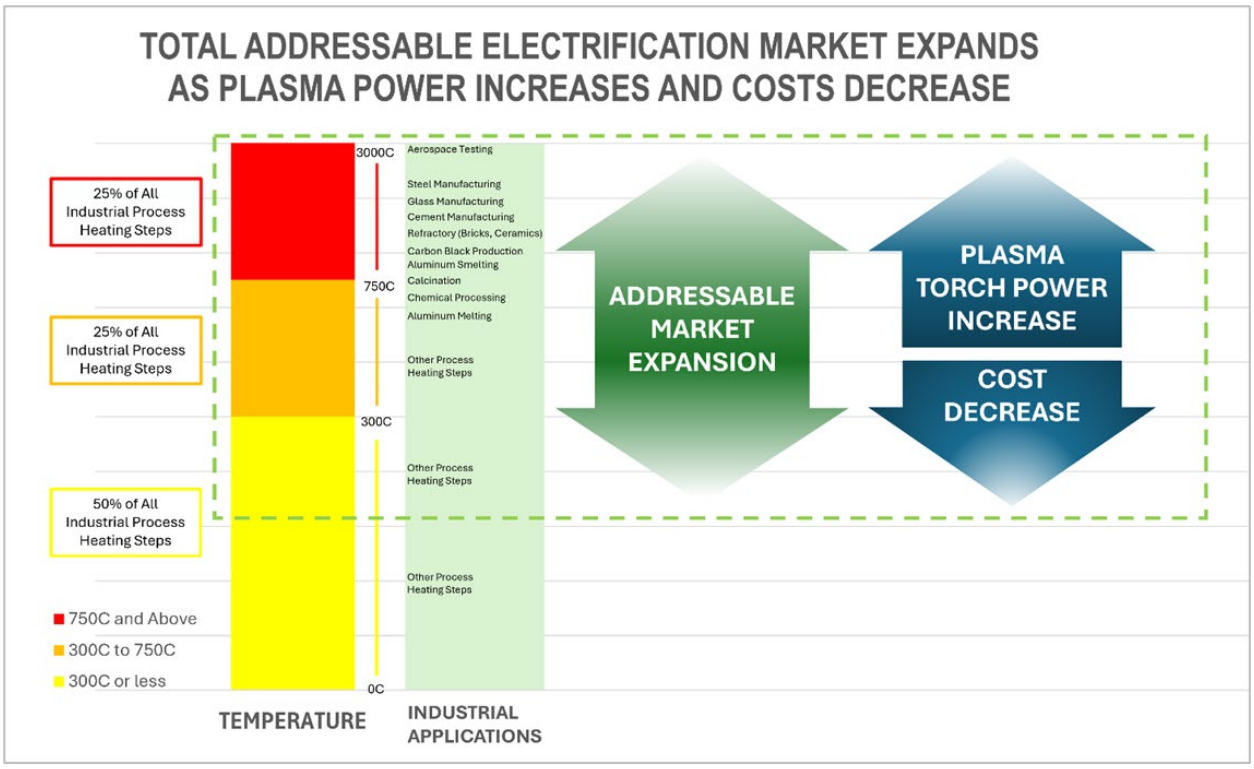
To date, PyroGenesis occupies only a fraction of this market. But given the global appetite for more environmentally sustainable and economically viable industrial solutions, the Company expects more new and existing customers to look to refit existing burners with its plasma torch systems, or to use plasma torches in new furnace installations, and considers itself well placed to see growth in this area.

As the power of the Company's plasma torches increases, the total addressable market increases to include more higher temperature applications in industries such as cement, steel, and chemical, and in processes such as calcination – representing the higher end of the market. As the efficiency of the Company's plasma torches increases (and costs for customers decreases), the total addressable market increases to potentially include smaller industrial applications at lower temperatures – representing the lower end of the market.



Materials Production (Titanium Metal Powder, High Purity Silicon Metals, Nano Powders and Nanowires, Fumed Silica)

Production of Fumed Silica

Fumed silica (pyrogenic silica) is a white microscopic powder with high surface area and low bulk density. Its commercial applications encompass various industries including personal care, pharmaceuticals, agriculture (food & feed), adhesives, sealants, construction, batteries and automotive to name a few. Demand for fumed silica is growing but present manufacturing processes and the cost and

time associated with building new production facilities are hindering its growth potential.[4] On-site production using the Company's fumed silica reactor plant would represent a significant development for manufacturers that rely on fumed silica. Localized production at, or near, the point of use fundamentally restructures the supply chain, streamlines logistics, and secures reliable access to material that is critical to manufacturing operations. This is a quickly emerging consideration within global supply chains, and a key market target for PyroGenesis.

Development of a Process to Converting Crystalline Silica into Amorphous Silica

This plasma-based process – a collaboration with Progressive Planet – explores the feasibility of converting widely available, high-grade, crystalline silica into amorphous silica. The resulting amorphous silica can be used to enhance the strength of concrete as a replacement for fly ash. Crystalline silica is one of the most abundant materials in the earth's crust and the ability to economically convert it into amorphous silica would offer a new supply of material to compensate for the diminishing supply of pot ash as coal fired power plants are targeted for shut down in Canada by 2030.

Production of High Purity Spherical Metal Powders

The global metal additive manufacturing (also known as industrial 3-D printing) industry continues to see strong growth and is expected to continue to expand. The market size reached US$6.36 billion in 2022 and is expected to reach US$22.60 billion by 2030.[5]

At present, PyroGenesis focuses its additive manufacturing sales and marketing efforts on titanium and its alloys. Titanium is a highly sought-after material in the aeronautical, biomedical, and high-end automotive industry due to its high strength, low density, high fracture toughness, excellent corrosion resistance and superior biocompatibility. Titanium is also a high margin material (in part because of its attributes and desirability). PyroGenesis will consider additional high margin materials to maximize the potential of its NEXGEN technology.

While plasma atomized powders can be of a higher quality than gas atomized powders, their widespread adoption has so far been limited by their higher price. In addition to PyroGenesis, some of the key players in the making of additive manufacturing powders through plasma atomization are 6K Additive, Tekna Advanced Materials, and AP&C, which is part of GE. With its NEXGEN technology, PyroGenesis aims to gain a competitive advantage in the market by producing high-quality powder by plasma atomization at rates comparable to gas atomization, all while maximizing the yield of powder in the preferred size range for additive manufacturing.

PyroGenesis' additive manufacturing sales and marketing efforts are done on an international footing. The Company continues its own sales efforts in the North American, European, and Asian markets and is in frequent discussions with potential customers, including well-established global aerospace companies,

[4] https://hpqsilicon.com/press-release/hpq-silicon-and-pyrogenesis-sign-an-agreement-to-develop-a-new-environmentally-friendly-process-to-manufacture-fumed-silica/

[5] "Metal 3D Printing Market Size to Hit $22.60 Billion by 2030", by Grand View Research, Inc. (September 13, 2022). See: https://www.prnewswire.com/news-releases/metal-3d-printing-market-size-to-hit-22-60-billion-by-2030---grand-view-research-inc-301623035.html

for one of which the Company underwent a multi-year supplier certification process to become an official supplier to its parts manufacturers and service centers. That certification was awarded in May 2025, making PyroGenesis Ti64 "coarse" metal powder with a particle size that is within the range of 53-150µm (microns) qualified for use and added to Boeing's qualified list of metal powders, and available for use in their additive manufacturing. PyroGenesis draws on its plasma torch and powder production expertise to design, develop, and refine its own torches and equipment for additive manufacturing.

Battery Industry

Battery manufacturing is another high-growth industry. The lithium-ion battery market size is estimated to grow from US$44.2 billion in 2020 to US$94.4 billion by 2025, equivalent to a compound annual growth rate of 16.4%.[6] Research indicates that replacing graphite with nano silicon powders could allow the manufacturing of high-performance lithium-ion batteries with the capability of delivering an almost tenfold (10x) increase in anode capacity, inducing a 20-40% gain in the energy density of the next generation of lithium-ion batteries.[7] Manufacturing of silicon nano powders is not yet commercially feasible with selling prices of US$30,000/kg.[8]

6.4 Growth Strategy

As interest in the Company's products and services has increased and the variety of uses for its core technologies has expanded, the Company has evolved its strategy to concentrate its solution set under three categories. These categories represent economic drivers that are key to global heavy industry:

The Company's technology solutions are categorized across three business verticals:

1. Energy Transition:
   Plasma-based fuel switching solutions to help heavy industry electrify high-temperature processes, modify the energy mix, and lower emissions.

2. Materials Production:
   Development of chemical-free material production systems, and the production of in-demand materials, for manufacturers.

3. Waste Processing:
   Safe, emission-free destruction, remediation, and valorization of industrial, chemical, agricultural, and municipal solid waste, on land and at sea.

Going forward, the Company's efforts will be focused around helping customers overcome challenges within this spectrum. More information can be found on each of these solutions and the markets in which they operate above (see "Products and Services " and "6.3 Markets and Opportunities").

Levering off its expertise in ultra-high temperature industrial processes, the Company typically aims to introduce its products to markets by selling to, or partnering with, industry-leading companies. These

[6] Markets and Markets: "Lithium-Ion Battery Market – Global Forecast to 2025".
[7] Chemical Engineering News: "In the Battery Materials World, the Anode's Time Has Come", Volume 97, Issue 14 (2019).
[8] HPQ-Silicon Resources Inc.: Innovative Silicon Solutions, 2020.

industry leaders not only bring the credibility sought when introducing new technology, but also valuable insight into the market and potential customers as well as important market feedback. This corporate strategy of leveraging off these strategic partnerships seeks growth geared at (i) broadening the customer base and (ii) increasing sales to existing customers. The Company also seeks eco-friendly business, primarily targeting offerings that reduce GHGs as opposed to those who do not. As part of its growth strategy, the Company will also selectively consider opportunities to broaden and enhance its product and market scope through acquisitions.

6.5 Employees

The Company had, as of March 30, 2026, 81 full-time employees. Pyro Green-Gas had 7 full-time employees.

The Company prides itself in hiring talented individuals with a complementary mix of professional experience and industry knowledge. The Company continues to develop a working environment wherein everyone is valued for their contribution to the team and rewarded for their accomplishments. The Company believes that it has one of the highest concentrations of plasma expertise under one roof in the world. As of the date hereof, all of the Company's employees were non-unionized.

6.6 Facilities

The headquarters of the Company are located at 1100 René-Lévesque Boulevard West, Suite 1825, Montréal, Québec, Canada, H3B 4N4 in leased premises.

The Company operates two manufacturing facilities, one facility which is 40,902 sq. ft. (3,800 m^2) and is located at 5655 Philippe-Turcot, Montréal, Québec, Canada, H4C 3K8 (the "Turcot Facility") and the second facility which is 31,632 sq. ft. (2,939 m^2) and is located at 9371 Wanklyn Street, LaSalle, Québec, Canada, H8R 1Z2 (the "Wanklyn Facility"). These facilities are used to manufacture systems, produce metal powders, and host various pilot systems for demonstration and testing, as well as to provide spare parts to the Company's existing client base.

The Company leases the Wanklyn Facility. Although the Company continues to occupy and pay rent for the Turcot Facility, it exercised its contractual option to purchase the property in 2022. The exercise of said option and the ownership of the Turcot Facility are the subject of legal proceedings described below (see "Legal Proceedings").

The Company's subsidiaries Pyro Green-Gas and Air Science Technologies Private Limited lease office premises in Montreal (Canada) and India, respectively.

6.7 Distribution Methods

The Company sells its products and systems primarily through direct sales by its own internal sales team. The marketing of the Company's products is provided by its internal sales and marketing group located in Montréal, Canada.

In addition, PyroGenesis International, a wholly owned subsidiary of PyroGenesis, has the right to manufacture, market, sell and distribute DROSRITE systems and the DROSRITE technology in the Kingdom of Saudi Arabia and certain other countries in the Middle East, on an exclusive basis.

The business of the Company is neither cyclical nor seasonal. The Company's products have long sales cycles, which are generally unaffected by seasonal variations.

The Company's agreements are typically for the sale of equipment. The Company gets paid on milestone payments that reflect progress on the projects. Usually, the Company tries to also obtain advance payments. For the sale of powders and parts, the Company generally invoices and gets paid upon delivery.

6.8 Intellectual Property and Research and Development

The intellectual property and proprietary rights of PyroGenesis as well as its research and development efforts are important to its business. Considering the time and investment required to develop new products and obtain marketing authorization, the Company places considerable importance on protecting its research findings, trade secrets and technologies.

Intellectual Property

In efforts to secure, maintain, and protect its intellectual property, proprietary rights and exclusive technology, PyroGenesis relies on a combination of patents, trademarks, trade secrets, and other rights as well as licenses, non-disclosure agreements, and various other contractual arrangements. Nothing, however, can guarantee that the Company's protective measures are sufficient to prevent illicit or wrongful appropriation or misuse of its technology or the development of the same or similar technology by a third party.

Tradenames and Trademarks

PyroGenesis uses the following tradenames and trademarks in connection with the sale of its services and products, some of which are registered:

- PYROGENESIS
- PYROGENESIS CANADA
- PYROGENESIS ADDITIVE
- PYROGENESIS ALUMINUM
- PYRO GREEN-GAS
- AIRSCIENCE TECHNOLOGIES
- NEXGEN
- DROSRITE
- PUREVAP
- SPARC
- APT
- APT-HP
- RPT
- MINIGUN
- SPT
- HPT
- MPT

- PAWDS
- PACWADS
- PPRS
- PAGV
- AVITA

The tradenames and logos are used everywhere the Company does business and the common law trademarks are or have been used in connection to the sale of specific products. In addition, PyroGenesis has registered trademarks or filed for registered trademark protection in the following jurisdictions: Canada, European Union, Indonesia, Israel, India, Mexico, Russian Federation, Turkey, United Kingdom, United States and Vietnam.

Patents

As of March 30, 2026, the Company owned a total of 76 patents (20 allowed or issued, 56 pending) relating to its products and processes. The number of patents is significantly lower than in previous years as the result of a reconciliation and consolidation process that disposed of unnecessary, low value, or geographically unimportant patents. The reduction resulted in major cost savings from the non-renewal of yearly patent protection fees and associated legal costs.

Research & Development

The Company's competitive strategy includes a strong innovation culture and a long-standing commitment to performing research and development. The Company's research and development projects in various areas, including but not limited to, the production of metallic powders and the development of plasma torches, are performed and conducted internally out of its Montréal facility.

As of March 1, 2026, the Company employed 64 engineers, scientists and technicians who are fully dedicated to research and development projects. Separately, the Engineering and Process Startup and Optimization teams are also involved in research and development projects. Most research and development projects are funded by external customers or government grants and are initiated to respond to a specific customer need. Follow-on work and equipment sales can often result from these initial research and development projects. Research and development projects are mainly focused on

product extension. Internal research and development expenses vary widely from year to year and depend on Company priorities.

6.9 Environmental Protection

The Company currently has active permits, including from the City of Montréal, to carry out manufacturing activities at the Wanklyn Facility and conduct research and development and operate production systems at the Turcot Facility.

The Company usually needs to apply for a new permit each time a new project involving testing occurs. There are no costs to these permits except the time required to prepare the documentation for the City of Montréal. The time to obtain a permit is usually between two and four months.

6.10 Foreign Operations

The Company, through its subsidiaries PyroGenesis International, Air Science Technologies Private Limited and Air Science Italia S.r.l., carries out operations in the United States, India and Italy, respectively.

6.11 Competition

PyroGenesis competes with a substantial number of companies in the industries in which it operates, some of which have greater technical and financial resources. There can be no assurance that such competitors are not already devoting (or will not devote in the future) substantially more resources to the development and marketing of products and services that compete with those of the Company or that new or existing competitors will not enter the various markets in which PyroGenesis is active. There can be no assurance that competitors will not develop new and unknown technologies with which the Company may have difficulty competing. Furthermore, failure to remain cost competitive may result in PyroGenesis losing business to its competitors.

For example, the Company faces competition from Europlasma in the waste destruction and waste-to-energy systems markets, the Company faces competition from Altek, a division of Harsco Corp., in the systems for the recovery of aluminum and other metal from dross market, and the Company faces competition from AP&C, a GE Additive company, and Tekna, a portfolio company of Arendals Fossekompani ASA, in the production of high purity spherical metal powders market.

Several companies globally develop and promote thermal plasma torches, most notably Europlasma S.A. in France, Scanarc Plasma Technologies AB in Sweden, Tetronics Technologies Ltd. in the UK, Phoenix Solution Company in the USA, and Plazarium in Russia and Germany.

On a broader scale, PyroGenesis' plasma torches for use in high temperature industrial processes are in competition against legacy fossil-fuel-based technologies, and, in some niche cases, against other alternative fuels such as biogas, forest biomass/bioenergy, and hydrogen, though these latter fuels are in early stage development for intensive applications and their future potential at scale is uncertain.

7. Dividends and Distributions

The Company has not paid any dividends, has no policy on paying dividends or distributions, and has no present intention to pay dividends. The Company currently intends to reinvest any earnings to fund the development and growth of its business. Any future payments of dividends will be at the discretion of the Board and will depend on many factors, including, among other things, the Company's financial condition, current and anticipated capital requirements, contractual requirements, solvency tests imposed by applicable corporate law and other factors it may deem relevant.

8. Description of Capital Structure

8.1. Share Capital and Issued and Outstanding Shares

The sections below describe some of the material terms of the Common Shares and the number of Common Shares issued and outstanding. These descriptions are not meant to be exhaustive and are subject to, and qualified in their entirety by reference to, the terms and provisions of the Company's articles of incorporation (the "**Articles**").

Description of Common Shares

The Company is authorized to issue an unlimited number of common shares ("Common Shares") without par value. Subject to the rights, privileges, restrictions and conditions attaching to any preferred shares authorized in the future, the rights of the holders of Common Shares, as a class, are equal in all respects and include the following rights:

- Voting: The right to vote at any meeting of shareholders;
- Dividends: The right to receive, as and when declared by the directors of the Company, any dividends payable on such dates, for such amounts and at such place or places as the Board may from time to time determine; and
- Liquidation or Dissolution: The right to receive the remaining property of the Company on liquidation or dissolution.

Outstanding Common Shares -

As at the date of this AIF, there were 206,611,416 Common Shares issued and outstanding.

8.2. Stock Options and Other Exchangeable Securities

The following sets forth, as of the date of this AIF, the aggregate number of exchangeable securities that are outstanding.

Description of Security	Number of exchangeable securities	Number of listed securities (Common Shares) issuable upon exchange
Stock Options[(a)]	19,070,000	12,401,000
Share Purchase Warrants[(b)]	22,636,911	22,636,911

Notes:

(a) For more details on the stock options outstanding, please refer to the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2025.

(b) For more details on the share purchase warrants outstanding, please refer to the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2025.

In addition, the Company issued convertible debentures as part of the July 2023 Offering (described above in *Year Ended December 31, 2023 – Corporate Developments and Financings*) and is a party to the December 2023 Loan, a convertible loan facility (described above in *Year Ended December 31, 2023 – Corporate Developments and Financings*) and a secured loan during 2025 (described above in *Year Ended December 31, 2025 – Corporate Developments and Financings*). For additional details on each, please also refer to the Company's audited consolidated financial statements and related notes thereto for the year ended December 31, 2025.

9. Market for Securities

9.1. Trading Price and Volume

The Common Shares are listed on the TSX under the symbol "PYR". The following table sets forth, for the periods indicated, the reported high and low prices and the aggregate volume of trading of the Common Shares on the TSX. The Common Shares are also traded on the OTCQX under the symbol "PYRGF" and on the Frankfurt (FRA) exchange under the symbol "8PY1".

Period	High ($)	Low ($)	Average Daily Trading Volume
January 2025	0.64	0.55	58,027
February 2025	0.64	0.56	51,668
March 2025	0.62	0.50	71,833
April 2025	0.51	0.43	51,538
May 2025	0.55	0.43	88,414
June 2025	0.53	0.45	64,781
July 2025	0.49	0.39	126,623
August 2025	0.40	0.29	175,950
September 2025	0.29	0.23	270,310
October 2025	0.28	0.22	190,823
November 2025	0.23	0.18	225,830
December 2025	0.36	0.18	380,035

9.2. Prior Sales

The following table summarizes the issuances of unlisted securities of the Company during the financial year ended December 31, 2025.

Date of Grant	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Consideration
January 1, 2025	Stock Options	700,000	$0.57	n/a
April 3, 2025	Stock Options	200,000	$0.51	n/a
December 3, 2025	Stock Options	8,160,000	$0.20	n/a
May 12, 2025	Warrants	5,207,423	$0.458	n/a
October 24, 2025	Warrants	5,555,556	$0.28	n/a
November 10, 2025	Warrants	4,110,000	$0.40	n/a
December 1, 2025	Warrants	4,520,414	$0.40	n/a

10. Directors and Executive Officers

The Articles of the Company provide for a minimum of three directors and a maximum of 15 directors. Each director holds office until the close of the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

10.1. Name and Occupation

The following table lists the names of the directors and executive officers of the Company as of the date of this AIF and their province/state and country of residence, their positions and offices held with the Company, their principal occupations during the past five years, the date on which they first became officers or directors of the Company, and the number and percentage of Common Shares which is beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them.

Name, Province/State and Country	Positions and Offices Held with the Company	Board of Directors Standing Committee Memberships	Director or Officer of Company Since	Principal Occupation for the Previous Five Years	Number and % of Common Shares Owned or Controlled
P. Peter Pascali Québec, Canada	President & Chief Executive Officer Director – Board of Directors	None	2006	President and Chief Executive Officer of the Company since 2006.	72,097,569 [(1)] (34.90%)
Pierre Carabin Québec, Canada	Chief Technology Officer & Chief Strategist	None	2006	Chief Technology Officer & Chief Strategist of the Company since 2018.	392,459 (0.19%)

Name, Province/State and Country	Positions and Offices Held with the Company	Board of Directors Standing Committee Memberships	Director or Officer of Company Since	Principal Occupation for the Previous Five Years	Number and % of Common Shares Owned or Controlled
Alan Curleigh Québec, Canada	Independent Director – Board of Directors	Chair of the Board of Directors	2023 Also a Director and Chair from 2010 until 2019	Corporate director (was also Chair of the Board of Directors of the Company from 2010 until 2019)	340,000 (0.16%)
Robert M. Radin South Carolina, USA	Lead Independent Director – Board of Directors	Member of the Audit Committee Chair of the Compensation Committee Member of the Nominating and Corporate Governance Committee Member of the Strategic Initiatives Committee	2012	President of Radin & Associates Consulting, LLC since 2011.	1,073,500 (0.52%)
Andrew Abdalla, CPA Québec, Canada	Independent Director – Board of Directors	Chair of the Audit Committee Member of the Compensation Committee Member of the Nominating and Corporate Governance Committee	2018	Senior Partner at chartered accountancy and business advisory firm MNP LLP	82,356 (0.04%)
Dr. Virendra Jha Québec, Canada	Independent Director – Board of Directors	Chair of the Nominating and Corporate Governance Committee Member of the Compensation Committee	2019	Corporate director	250,000 (0.12%)

Nannette Ramsey Florida, USA	Independent Director – Board of Directors	Member of the Compensation Committee Member of the Nominating and Corporate Governance Committee Chair of the Strategic Initiatives Committee Acting Secretary as of September 30, 2025	2021	Corporate director	1,000 (0.0005%)
Ben Naccarato, CPA, CMA Georgia, USA	Independent Director – Board of Directors	Member of the Audit Committee Member of the Compensation Committee Member of the Strategic Initiatives Committee	2021	Executive Vice President and Chief Financial Officer at Perma-Fix Environmental Services Inc.	12,850 (0.01%)
Andre Mainella, CPA Québec, Canada	Chief Financial Officer	None	2021	Chief Financial Officer since 2021 Director of Consolidation and Corporate accounting, Cogeco Communications Inc. until 2021	37,500 (0.02%)
Paul Rajchgod Toronto, Canada	Independent Director – Board of Directors	Member of the Audit Committee	2024	President of PDR Capital Corp. since 2024 Managing Director, Venture Capital for Ayre Ventures from 2019 to 2024.	44,000 (0.02%)
Mark Paterson Québec, Canada	Chief Legal Officer and Secretary	None	2023 resigned in September 2025, and no longer serves as Chief Legal Officer and Secretary.	Chief Legal Officer since 2024 (General Counsel between 2023-24) General Counsel – Tenet Fintech Group Inc. from 2021-2022 Director – Legal Affairs of Future Electronics Inc. from 2010-2021	(-%)

Alex Pascali	Chief Operating Officer	None	2026	Chief Operating Officer since 2026 (head of business development, prior to 2026)	

Notes:

(1) Mr. Pascali holds and controls 61,770,169 Common Shares directly, and indirectly holds or controls (i) 5,636,000 Common Shares as the executor of the estate of Petros P. Pascali, and (ii) 4,691,400 Common Shares through a foundation, The 2 Percent Solution Foundation.

All executive officers of the Company are full time employees of the Company and none are independent contractors.

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 74,331,234 Common Shares representing 35.98% of the issued and outstanding Common Shares.

10.2. Biographies

The following biographies provide certain selected information in respect of the persons who are serving as directors and executive officers of the Company:

P. Peter Pascali – President and Chief Executive Officer and Director

P. Peter Pascali, after graduating with an MBA from McGill University in 1983, became an investment banker specializing in mergers and acquisitions and public offerings. He initially worked for the Bank of Nova Scotia and then, in 1987, joined Westpac Banking Company. In 1989, he joined DeGeorge Financial Company as a strategic advisor. Mr. Pascali has been with the Company since its incorporation in 2006 where he has been responsible for developing the business strategy and marketing focus for commercializing the Company's technologies and running the business. Mr. Pascali continues to develop the Company's strategy and oversee the operational management as the President and Chief Executive Officer. In his leadership role, Mr. Pascali spearheads the Strategic Management Team which is responsible for the strategic planning and execution of the Company's business plans.

Alan Curleigh – Director and Chair of the Board of Directors

Alan Curleigh has a wealth of experience in international business, capital projects, and board governance. For many years he was a senior executive and Board member of a leading Canadian engineering contracting company. Mr. Curleigh subsequently served as a representative on multiple corporate boards and associations. Most notably, Mr. Curleigh was federally appointed by Canada's International Trade Minister to Chair the Board of Directors of the Canadian Commercial Corporation, a crown corporation mandated to support the growth of international trade by helping Canadian exporters gain access to, and negotiate with, foreign government procurement markets – a role he held for 7 years. Additionally, Mr. Curleigh was Chair of the Audit Committee for Veterans Affairs Canada, was the Chair of the Board of the Canadian Manufacturers and Exporters, Canada's largest industry association, was a board member and treasurer of the Canadian Exporters Association; and a Board Member for NorthStar Trade Finance. Mr.

Curleigh has been a visiting Faculty Member at the Directors College, a joint initiative between The Conference Board of Canada and McMaster University's DeGroote School of Business and Canada's premier school of governance, where he has lectured extensively on Board governance issues since the school's inauguration. For his many contributions to leadership and business in Canada, Mr. Curleigh is the recipient of numerous awards, including the Queen Elizabeth II Diamond Jubilee Medal for dedicated service to peers and country in building a stronger export sector for Canada.

Robert M. Radin – Director, Member of the Audit Committee, Member of the Nominating and Corporate Governance Committee, Chair of the Compensation Committee, and Member of the Strategic Initiatives Committee

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

Dr. Virendra Jha – Director, Member of the Compensation Committee, and Chair of the Nominating and Corporate Governance Committee

Dr. Virendra Jha, member of the order of Canada, has over 40 years of experience in the Canadian Space Program ranging from in-depth engineering work to senior management positions in both the private and the public sectors. Dr. Jha began his space career in 1972 when he joined the aerospace group of RCA Limited Montréal, which later became Spar Aerospace Limited. In 1988, he became the Director of Engineering at Spar Aerospace Limited. In 1991 Dr. Jha joined the Canadian Space Agency as Director of the Space Mechanics Group. In 1996, he was promoted to the position of Director General, Space Technologies Branch of the CSA. From 2003 till 2008, he was the Vice-President responsible for Science, Technology and Programs at the Canadian Space Agency. As Vice President, Dr. Jha provided strategic direction, vision and leadership to all core technical sectors of the Agency. From November 2005 until February 2006, Dr. Jha also served as the Acting President of the Canadian Space Agency. He was Chief Engineering Adviser at the Canadian Space Agency until his retirement in 2014.

Dr. Jha received his B. Tech. degree in Mechanical Engineering from the Indian Institute of Technology Delhi India, his Master's degree in Mechanical engineering from McMaster University, Hamilton, Canada, and his Ph.D. degree in Mechanical Engineering from Concordia University, Montréal, Canada and the C.Dir. (Chartered Director) Degree from McMaster University, Hamilton, Canada. Dr. Jha's technical contributions in Canadian Space Program as well as in International Space activities have been significant.

His leadership and commitment to the profession is reflected by his recognition and active participation in many groups, committees and advisory boards.

Dr. Jha currently serves as a director on the Board of the Atomic Energy of Canada Limited, a Canadian federal Crown corporation and Canada's largest nuclear science and technology laboratory.

Andrew Abdalla, CPA – Director, Member of the Compensation Committee, Member of the Nominating and Corporate Governance Committee and Chair of the Audit Committee

Andrew Abdalla, CPA, is a partner at MNP LLP, a leading national accounting, tax and business consulting firm in Canada. Mr. Abdalla brings to the Board of Directors more than 20 years of strategic planning, and tax advice, with a specific focus on sales and income tax, acquisitions and divestitures, business valuations, corporate reorganizations and spinoffs. Mr. Abdalla received his Chartered Professional Accountant (CPA) designation in 1987. He holds a Bachelor of Commerce and a graduate diploma in public accounting from Concordia University in Montréal.

Ben Naccarato, CPA, CMA – Director, Member of the Compensation Committee, Member of the Audit Committee, and Member of the Strategic Initiatives Committee

Mr. Naccarato, CPA, CMA, is the Executive Vice-President and Chief Financial Officer at Perma-Fix Environmental Services Inc., a NASDAQ-listed environmental services company, providing unique radioactive mixed and industrial waste management services. Mr. Naccarato brings to the Board more than 30 years of experience in senior financial positions in the environmental industry. Mr. Naccarato is a graduate from the University of Toronto with a Bachelor of Commerce and Finance Degree as well as being a Chartered Professional Accountant and Certified Management Accountant (CPA, CMA)

Nannette Ramsey – Director, Member of the Compensation Committee, Member of the Nominating and Corporate Governance Committee, and Chair of the Strategic Initiatives Committee and acting Secretary

Ms. Ramsey holds undergraduate degrees in Economics, Engineering and an MBA. She brings process engineering and machining and materials expertise from Caterpillar Tractor Company, J.I. Case and more recently served as the Site Manager and Associate Director of Engineering for Edgewood Chemical Biological Center's site at the Rock Island Arsenal in Illinois. She was responsible for strategic planning, budgeting, industrial base analysis, engineering and testing, quality assurance and information technology solutions to a variety of customers.

Paul Rajchgod – Director and Member of the Audit Committee

Mr. Rajchgod is the President of PDR Capital Corp. He brings significant experience to the board of directors with his 25-year career in capital markets and venture capital, including over 20 years in investment banking helping high-growth tech and clean tech companies raise capital through equity and debt structures while also providing them with sought-after advisory services. He was Managing Director, Venture Capital for Ayre Ventures from 2019 to 2024. His experience also includes Managing Director positions at several major capital markets firms, including Cantor Fitzgerald, Macquarie, and Mackie. He holds an MBA from the Schulich School of Business of York University.

Pierre Carabin – Chief Technology Officer and Chief Strategist

Mr. Pierre Carabin, P. Eng., has over thirty years of experience in process engineering and environmental technologies. Throughout his more than 20 years at PyroGenesis, he has been instrumental in the development of the Company's various technology platforms. He is the inventor or co-inventor of more than one hundred pending and issued patents relating to high temperature chemical processes. As Chief Technology Officer, he leads PyroGenesis' engineering team in the design and development of plasma systems and is also member of the Company's Strategic Management Team which is responsible for the strategic planning and execution of the Company's business plan.

Prior to joining PyroGenesis in 1998, Mr. Carabin worked in the pulp and paper industry for 8 years, notably developing paper recycling machinery. Mr. Carabin holds a Master's degree in Chemical Engineering with honors from McGill University, and, to date, he has contributed to more than 50 technical communications for various journals and at technical conferences. Mr. Carabin also volunteers for the Air and Waste Management Association (AWMA) and Ecotech Québec, the cleantech cluster in Québec.

Andre Mainella – Chief Financial Officer

Upon graduating from Concordia University, Mr. Mainella has since then accumulated over 20 years of experience in accounting. Andre began his career at Raymond Chabot Grant Thornton. As a senior audit manager, he worked on a diverse list of audit and non-audit related mandates for private and publicly traded companies. His broad experience includes clients in various business sectors such as manufacturing, distribution, retail, real estate and airlines. Mr. Mainella had the opportunity to assist in the implementation of accounting standards, initial public offerings as well as business acquisitions and divestitures.

From 2013 to 2015, Mr. Mainella occupied the role of finance manager for the Canadian operations of Orica, a provider of commercial explosives and blasting systems for the mining and construction sectors. Andre was responsible for the financial information, budgeting & forecasting, in addition to advising on new sales contracts and capital projects, among others. Subsequently, Mr. Mainella joined Cogeco, a telecommunications and media company, as their director of consolidation and corporate accounting. He managed the activities of corporate accounting, shared services, and the consolidation of the Canadian and American financial results. Mr. Mainella was part of the Cogeco corporate team for 6 years and contributed in various manners to the implementation of the company's numerous acquisitions, enterprise resource planning implementation, new accounting standards, and involvement in the corporate insurance policies.

Mr. Mainella received his Chartered Professional Accountant designation in 2001. He holds a Bachelor of Commerce and a graduate diploma in public accounting from Concordia University in Montreal.

Mark Paterson – Chief Legal Officer and Secretary

Mark Paterson is a senior business lawyer with comprehensive corporate and commercial experience, including in senior in-house roles as well as private practice. He has an extensive legal understanding in a wide array of areas, including in contract negotiations, M&A management, conflict resolution, human resources, and corporate and regulatory compliance. Prior to joining PyroGenesis, Mr. Paterson was

General Counsel for Tenet Fintech Group, a publicly traded company specialized in innovative fintech and AI applications. From 2010 to 2021, he served as Director – Legal Affairs for Future Electronics, a large, multinational distributor of electronic components. Before joining Future Electronics, Mr. Paterson was General Counsel and Vice-President of Strategic Alliances for Luxury Retreats, a provider of high-end vacation accommodations. He began his legal career at Fasken, one of the leading business law firms in Canada, working in its corporate law department. Mr. Paterson is a member of the Quebec bar and holds BCL and LLB degrees from McGill University. He also holds a B.A. from Bishop's University. Effective September 2025, Mark Paterson resigned from the Company and no longer serves as Chief Legal Officer and Secretary.

Alex Pascali – Chief Operating Officer

Alex Pascali serves as Chief Operating Officer of PyroGenesis Inc., where he is responsible for overseeing the Company's day-to-day operations, project execution, and commercial activities. In this role, he leads cross-functional teams across engineering, manufacturing, and business development to ensure the successful delivery of the Company's plasma-based systems and technologies.

Prior to his current role, Mr. Pascali led the Company's business development activities, where he was instrumental in originating, structuring, and negotiating multiple strategic transactions, including two major commercial agreements each in excess of $20 million. His experience spans contract negotiation, partnership structuring, and the commercialization of advanced technologies across international markets.

Alex Pascali has played a key role in advancing PyroGenesis' strategic initiatives, including the commercialization of its proprietary processes in aluminum dross processing, high-temperature electrification, and fumed silica production. He is actively involved in structuring partnerships, negotiating commercial agreements, and supporting the Company's expansion into international markets, with a particular focus on the Middle East.

Alex Pascali works closely with the executive team and the Board of Directors to execute the Company's long-term growth strategy and enhance shareholder value.

10.3. Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as indicated below, to the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied such company access to any exemption under securities legislation (each an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a trustee, director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. As announced on February 23, 2023 by the Company, the AMF issued an order suspending a private placement of units of the Company. The AMF alleged in the order that the Company did not satisfy all of the requirements necessary to complete the financing under the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions*.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

10.4. Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Company may be subject to in connection with the operations of the Company. Over the past three completed financial years, Mr. P. Pascali has participated in financings of the Company, and he may continue to do so in the future. See "*General Development of the Business – Year Ended December 31, 2023*", "*General Development of the Business – Year Ended December 31, 2024*", and "*General Development of the Business – Year Ended December 31, 2025*". In addition to being the President and Chief Executive Officer and a director of the Company, Mr. P. Pascali is also a controlling shareholder of the Company. See "*Risk Factors – Influence of the Significant Shareholders*".

Until July 8, 2024, PyroGenesis International (formerly Drosrite International LLC), a US-based private company, was owned by Alex Pascali, the son of Mr. P. Pascali. Under the PyroGenesis International Exclusive Agreement, PyroGenesis International received the required rights to perform its obligations under the Dross Processing Service Agreement and PyroGenesis would receive payments equal to the payments received by PyroGenesis International under its Dross Processing Service Agreement. PyroGenesis International has never received any management, administration or other fee from the Company. It was, on an accounting basis, a subsidiary of the Company and not a client, as under applicable accounting standards the Company was considered to effectively control PyroGenesis International. On July 8, 2024, PyroGenesis purchased all ownership interests in PyroGenesis International for $1.00 and, since that time, is operated wholly under the control of PyroGenesis.

To the best of the Company's knowledge, other than as disclosed in this AIF, there are no known existing or potential conflicts of interest among the Company, the directors and officers of the Company or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors are also required to comply with the relevant provisions of applicable corporate laws regarding conflicts of interest. Under the CBCA, directors who have a material interest in any person or entity that is a party to a material contract or a proposed material contract with the Company are required under the CBCA, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and executive officers are required to act honestly and in good faith with a view to the best interests of the Company.

10.5. Board Independence

The Board believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Company and to the enhancement of shareholder value.

Under National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, a director is considered to be independent if the director is independent within the meaning of section 1.4 of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**"). Pursuant to section 1.4 of NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning their background, employment and affiliations, the Board has determined that, of the seven directors on the Company's Board, Mr. P. Pascali is not independent under section 1.4 of NI 52-110 because he is an executive officer of the Company.

11. Audit Committee and Other Committees

11.1. Audit Committee

The Company's Audit Committee is responsible for assisting the Board in monitoring the performance of management in ensuring that the Company is operating in an ethical manner and encouraging management to demonstrate a strong commitment to integrity.

The Audit Committee is also responsible for providing assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company and to the investment community. The Audit Committee's primary responsibilities in this regard are to: (i) oversee the accounting and financial reporting process of the Company and the audit of its financial statements; (ii) monitor the Company's financial reporting process and internal control systems; (iii) review and appraise the audit activities of the Company's independent auditors; (iv) meet periodically with management and with the independent auditors; and (v) assess the relevance and reliability of the Company's financial reports to ensure they accurately portray the underlying economic circumstances and financial performance of the Company.

Audit Committee Charter

The Audit Committee's mandate is to promote and ensure that the Company complies with high standards of financial reporting, risk management and ethical behavior. The Audit Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee comprises Andrew Abdalla (Chair), Ben Naccarato, Robert Radin, and Paul Rajchgod. Each of the members meets the independence requirements for members of the Audit Committee pursuant to NI 52-110. Each of the members is financially literate within the meaning of NI 52-110, has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, and has an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the education and experience of each member of the Audit Committee, see "Directors and Executive Officers".

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to the Company by its external auditors.

External Fees by Audit Category

Fees incurred with the auditors for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

	Fees incurred to RCGT in Fiscal Year ended December 31, 2025	**Fees incurred to RCGT in Fiscal Year ended December 31, 2024**
Audit Fees[(1)]	$330,000	$330,000
Audit-Related Fees[(2)]	$-	$-
Tax-Related Fees[(3)]	$-	$-
All Other Fees	$-	$30,000
Total Fees	$330,000	$360,000

Notes:
(1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements, and for services that are normally provided in connection with statutory and regulatory filings or engagement related to the annual consolidated financial statements.
(2) "Audit-Related Fees" include translation services and fees for accounting consultations on matters reflected in the financial statements.
(3) "Tax-Related Fees" includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and Research and Development tax credits.
(4) "All Other Fees" includes any other fees for permitted services not included in any of the above-stated categories.

11.2. Other Committees

In addition to the Audit Committee, the Board has established three other standing committees, namely the Nominating and Governance Committee, the Compensation Committee, and the Strategic Initiatives Committee.

Nominating and Corporate Governance Committee

The Company's Nominating and Corporate Governance Committee consists of four directors, each of whom is a person determined by the Board to be an independent director, and is charged with reviewing, overseeing and evaluating the Company's corporate governance and nominating policies. The Nominating and Corporate Governance Committee comprises Dr. Virendra Jha (Chair), Andrew Abdalla, Robert M. Radin, and Nannette Ramsey. The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Nominating and Corporate Governance Committee.

Compensation Committee

The Company's Compensation Committee consists of five directors, each of whom is a person determined by the Board to be an independent director, and is charged with reviewing, overseeing and evaluating the Company's compensation policies. The Compensation Committee comprises Robert M. Radin (Chair), Andrew Abdalla, Dr. Virendra Jha, Ben Naccarato and Nannette Ramsey. The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Compensation Committee.

Strategic Initiatives Committee

The Company's Strategic Initiatives Committee consists of three directors; each of whom is a person determined by the Board to be an independent director and is charged with assisting the Board by providing input to strategic decisions and their implementation. The Strategic Initiatives Committee comprises Nannette Ramsey (Chair), Ben Naccarato and Robert M. Radin. The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Strategic Initiatives Committee.

12. Risk Factors

The Company has identified below certain significant risks relating to the business of the Company and the industry in which it operates. The following information is only a summary of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF as well as the Company's consolidated financial statements and related notes for the year ended December 31, 2025, and the management's discussion and analysis thereon (including, without limitation, the section "Risk Factors" contained therein). These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also impair the operations of the Company. If any such risks materialize into actual events or circumstances, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. There is no assurance that risk

management steps taken will avoid future loss due to the uncertainties described below or other unforeseen risks. An investment in the Common Shares or other securities of the Company is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below.

12.1. Risks Related to the Company's Business and Industry

Operating Income (Loss) and Negative Operating Cash Flow

Prior to December 31, 2025, the Company had a history of losses and negative cash flows. For the year ended December 31, 2025, the Company has a net loss of $14.8 million, cash flows used in operations of $10.1 million, and an accumulated deficit of $143.3 million at December 31, 2025. To the extent that the Company has net losses and negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

The Company's ability to continue as a going concern is dependent upon its ability in the future to grow its revenue, achieve profitable operations, successfully developing and introducing new products and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. While the Company has been successful in securing financing in the past, raising additional funds is dependent on a number of factors outside the Company's control, and as such there is no assurance that it will be able to do so in the future. External financing, predominantly by the issuance of equity and debt, might be, sought to finance the operations of the Company; however, there can be no certainty that such funds will be available at terms acceptable to the Company, or at all. If the Company is unable to obtain sufficient additional financing, it may have to curtail operations and development activities, any of which could harm the business, financial condition and results of operations.

Actual Financial Position and Results of Operations May Differ Materially from the Expectations of the Company's Management

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company has experienced some changes in its operating plans and certain delays in the timing of its plans. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Revenue Risks

PyroGenesis may experience delays in achieving revenues, particularly with plasma gasification projects which have a long sales cycle. Revenues may be delayed or negatively impacted by issues encountered by the Company or its clients including:

- unforeseen engineering and/or environmental problems;
- delays or inability to obtain required financing, licenses, permits and/or regulatory approvals;
- supply interruptions and/or labour disputes;
- foreign exchange fluctuations and/or collection risk; and
- competition from other suppliers and/or alternative energy solutions that are less capital intensive.

There is no assurance that the business of the Company will perform as expected or that returns from the business will support the expenditures needed to develop it.

Concentration Risk and Credit Risk

To date, a small number of customers have accounted for a majority of PyroGenesis' revenues. As its business expands, the Company expects that revenue distribution will be over a larger number of different customers. For the year ended December 31, 2025, sales of PyroGenesis to its two principal customers accounted for approximately 37% of its total revenue. For the year ended December 31, 2024, sales to three principal customers accounted for approximately 44% of PyroGenesis' total revenue. The loss of, or a reduction in, purchase orders or anticipated purchase orders from PyroGenesis' principal customers could have a material adverse effect on its business, financial condition and results of operations. Additionally, if one of PyroGenesis' customers is unable to meet its commitments to PyroGenesis, the Company's business, financial condition and results of operations could be adversely affected.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The maximum credit risk to which the Company is exposed as at December 31, 2025 represents the carrying amount of cash, accounts receivable (except sales tax receivable), costs and profits in excess of billings on uncompleted contracts, deposits and royalties receivable.

Cash is held with major reputable financial institutions.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's payment and delivery terms and conditions are offered. The Company's review could include reviewing external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Company's exposure to credit risk is mainly influenced by the individual characteristics of each customer. In monitoring customer credit risk, customers are identified according to their characteristics such as their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

The Company does not generally require collateral or other security from customers on accounts receivable, however, the contract terms may include the possibility of recourse in the event of late payment. The Company believes that there is no unusual exposure associated with the collection of these receivables.

The credit risk associated with costs and profits in excess of billings on uncompleted contracts is similar to that of accounts receivable, as these amounts are accumulated and converted to accounts receivable as invoicing milestones are reached.

The royalties receivable is due from a company in which PyroGenesis had a strategic investment until the entirety of the shares were disposed of in April 2024. The Company does not have collateral or other security associated with the collection of this receivable. The carrying amount of the royalties receivable have been discounted to reflect the time value of money and credit risk of the counterparty.

The deposits are payments made to suppliers and entities from which the Company leases property. The Company does not have collateral or other security associated with the collection of these deposits. As at December 31, 2025, and 2024, no loss allowance has been recognized in connection with these deposits and the maximum exposure is the carrying amount of these deposits.

During the years 2025 and 2024, provisions for expected credit losses were recorded, however, the accounts provisioned by the loss are still subject to enforcement activity in order to collect the balances due.

Technology Development and Manufacturing Capability Risks

PyroGenesis recently expanded into new areas of business and, as a result, many of the Company's products are at various stages of the development cycle. The Company may be unable to commercialize such products, or it may be unable to manufacture such products in a commercially viable manner. While management is confident in both the Company's technology and in its team of experienced engineers, scientists and technicians, it cannot know with certainty which of its products will be commercialized, when such products will be commercialized, or whether such products will be able to be manufactured and distributed profitably.

Product Revenues/History of Losses

PyroGenesis has incurred losses in the majority of years since its inception. In the past the Company's operations have not generated sufficient earnings and cash flows to date to result in consistent profitability or positive cash flow. For the year ended December 31, 2025, the Company has a net loss of $14.8 million which includes a loss from the change in value of strategic investment of $3.1 million and cash flows used in operations of $10.1 million. There can be no assurance that the Company will be able to continue to generate significant gains from the value of its strategic investments in the future.

Additional Financing and Dilution

PyroGenesis may require additional financing. There can be no assurance that additional financing will be available to the Company when needed, or on terms acceptable to the Company. PyroGenesis' inability

to raise financing to support ongoing operations or to fund capital expenditures could limit the Company's growth and may have a material adverse effect upon the Company.

The Company does not exclude raising additional funds by equity financing. In addition, as of the date of this AIF, 19,070,000 stock options and 22,636,911 share purchase warrants are currently issued and outstanding. In addition, the Company issued convertible debentures as part of the July 2023 Offering (described above in *Year Ended December 31, 2023 – Corporate Developments and Financings*) and is a party to the December 2023 Loan, a convertible loan facility (described above in *Year Ended December 31, 2023 – Corporate Developments and Financings*) and a secured loan during 2025 (described above in *Year Ended December 31, 2025 – Corporate Developments and Financings*). The exercise of stock options and/or other exchangeable securities, as well as any new equity financings, represents dilution factors for present and future shareholders.

Reliance on Third Party Suppliers, Service Providers, Distributors and Manufacturers

The Company's direct and indirect suppliers, service providers, distributors and manufacturers may elect, at any time, to breach or otherwise cease to participate in supply, service, distribution or manufacturing agreements, or other relationships, on which the Company's operations rely. Loss of its suppliers, service providers, distributors and manufacturers could have a material adverse effect on the Company's business and operational results. Further, any disruption in the manufacturing process done by third party manufacturers could have a material adverse effect on the business, financial condition and results of operations of the Company. The Company cannot ensure that alternative production capacity would be available in the event of a disruption, or if it would be available, that it could be obtained on favorable terms.

Manufacturing Facilities

The vast majority of the Company's products are manufactured in its manufacturing facilities located in Montréal, Québec, and third-party facilities located in the United States, India, and Vietnam. Accordingly, the Company is highly dependent on the uninterrupted and efficient operation of these manufacturing facilities. If for any reason the Company is required to discontinue production at these facilities, it could result in significant delays in production of the Company's products and interruption of the Company's sales as it seeks to resume production. The Company may be unable to resume production on a timely basis. If operations at the facilities were to be disrupted as a result of equipment failures, natural disasters, fires, accidents, work stoppages, power outages or other reasons, the Company's business, financial condition and/or results of operations could be materially adversely affected.

Sales Cycle and Fixed Price Contracts

PyroGenesis sales cycle is long, and the signing of new contracts is subject to delay, over which the Company has little control. The Company also enters sales contracts with fixed pricing, which may be impacted by changes over the period of implementation. There is no assurance that delays or problems in fulfilling contracts with clients will not adversely affect the Company's activities, operating results or financial position.

Reliance on Technology

PyroGenesis will depend upon continuous improvements in technology to meet client demands in respect of performance and cost, and to explore additional business opportunities. There can be no assurance that the Company will be successful in its efforts in this regard or that it will have the resources available to meet this demand. While management anticipates that the research and development will allow the Company to explore additional business opportunities, there is no guarantee that such business opportunities will be presented or realized. The commercial advantage of the Company will depend to a significant extent on the intellectual property and proprietary technology of PyroGenesis and the ability of the Company to prevent others from copying such proprietary technologies. PyroGenesis currently relies on intellectual property rights and other contractual or proprietary rights, including (without limitation) copyright, trade secrets, confidential procedures, contractual provisions, licenses and patents, to protect its proprietary technology. PyroGenesis may have to engage in litigation to protect its patents or other intellectual property rights, or to determine the validity or scope of the proprietary rights of others. This type of litigation can be expensive and time consuming, regardless of whether the Company is successful. PyroGenesis may seek patents or other similar protections in respect of particular technology; however, there can be no assurance that any future patent applications will result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Company.

Moreover, the process of seeking patent protection can itself be long and expensive. In the meantime, competitors may develop technologies that are similar or superior to PyroGenesis' technology or design around the patents owned by the Company, thereby adversely affecting the Company's competitive advantage in one or more of its areas of business. Despite the efforts of the Company, its intellectual property rights may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps the Company may take to protect its intellectual property rights and other rights to such proprietary technologies that are central to the Company's operations will prevent misappropriation or infringement of its technology.

Changes to Contracts

PyroGenesis is dependent upon its ability to establish and develop new relationships and to build on existing relationships with current clients. The Company cannot provide assurance that it will be successful in maintaining or advancing its relationships with current clients or procure additional clients. In addition, PyroGenesis cannot provide assurance that its customers and the end users of its products will continue to provide the Company with business, or that existing customers and end users will not seek to renegotiate or terminate existing contracts providing for the sale of the Company's products and technology based on circumstances on which the Company is not currently aware. Any termination or amendment of a contract under which the Company derives an important portion of its revenues and any adverse change in the relationship of the Company with its customers and end users, will have an adverse effect on the Company's business, financial condition and results of operations.

Sales to governments and governmental entities are subject to specific additional risks, such as delays in funding, termination of contracts or sub-contracts at the convenience of the government, termination, reduction or modification of contracts or sub-contracts in the event of changes in the government's policies or as a result of budgetary constraints and increased or unexpected costs resulting in losses or reduced profits under fixed price contracts.

Foreign Exchange Exposure

PyroGenesis' products and services are increasingly being sold in markets outside of Canada, whilst most of its operating expenses and capital expenditures are denominated in Canadian dollars. As a result, the Company is exposed to fluctuations in the foreign exchange rates between Canadian dollar and the currency in which a particular sale is transacted, which may result in foreign exchange losses that could affect earnings. Foreign sales are predominantly denominated in U.S. dollars as well as the Euro and the Indian Rupee. The Company has not to date sought to hedge the risks associated with fluctuations in foreign exchange rates.

Competition

The industry in which the Company operates is competitive and PyroGenesis competes with a substantial number of companies which have greater technical and financial resources. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of the Company or that new or existing competitors will not enter the various markets in which PyroGenesis is active. There can be no assurance that competitors will not develop new and unknown technologies with which the Company may have difficulty competing. Furthermore, failure to remain cost competitive may result in PyroGenesis losing business to its competitors.

The plasma technology of PyroGenesis competes against other plasma and conventional technologies. Without limitation, the demand for the plasma technology of PyroGenesis, particularly in waste destruction and waste-to-energy systems, can be impacted by the commodity prices of the energy source used for the process and the price at which waste is accepted by landfills and traditional waste processing plants. While the Company believes that demand for sustainable waste management practices that have lower environmental impacts than traditional solutions such as landfill or incineration is increasing, the high flows of electricity necessary to operate the waste destruction and waste-to-energy systems of PyroGenesis have an impact on the operational costs of the Company's systems, and traditional solutions may constitute lower-cost solutions, particularly if commodity prices (including of oil and natural gas) remain low or experience a decline.

Management and Key Personnel

PyroGenesis depends on the skills and experience of its management team and other key employees. The Company relies heavily on its ability to attract and retain highly skilled personnel in a competitive environment. PyroGenesis may be unable to recruit, retain, and motivate highly skilled employees in order to assist the Company's business, especially activities that are essential to the success of the Company. Failure to recruit and retain highly skilled employees may adversely affect PyroGenesis' business, financial condition and results of operations.

Implementation of a Strategic Plan

PyroGenesis' commercial strategy aims to leverage its products, consumables, and services whilst focusing on the resolution of problems within niche markets within the industries served by the Company. There can be no assurances as to the success of the Company's strategic plan, which should be considered from the risks perspective and difficulties frequently encountered by a developing business.

Adverse Decisions of Sovereign Governments

PyroGenesis conducts an increasing portion of its business internationally. There is no assurance that any sovereign government, including Canada's, will not establish laws or regulations that may be detrimental to the Company's interests or that, as a foreign company, it will continue to have access to the regulatory agencies in other countries. Governments have, from time to time, established foreign exchange controls, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks Related to International Operations

A substantial portion of the Company's sales are made to customers and end users outside Canada. The Company conducts its international operations directly or through distributors or other agents or intermediaries. The Company plans to continue to expand its international sales and marketing efforts. International operations are subject to a number of inherent risks, and the Company's future results could be adversely affected by a number of factors, including:

- unfavorable political or economic environments;
- requirements or preferences for domestic products or solutions, which could reduce demand for the Company's products;
- differing existing or future regulatory and certification requirements;
- unexpected legal or regulatory changes;
- greater difficulty in collecting accounts receivable and longer collection periods;
- difficulties in enforcing contracts;
- any inability to effectively protect intellectual property;
- tariffs and trade barriers, export regulations and other regulatory and contractual limitations on the Company's ability to sell its products; and
- potentially adverse tax consequences, including multiple and possibly overlapping tax structures.

Without limiting the foregoing, the Company's global operations and reliance on cross-border trade for certain aspects of its business, including the sale and delivery of its products to customers in the United States, could be adversely affected by the imposition of new tariffs, trade restrictions, or other protectionist measures by the U.S. government, or the expansion of existing tariffs. While the Company monitors trade developments closely and evaluates potential mitigation strategies, including alternative sourcing and pricing adjustments, there is no assurance that such measures will fully offset the impact of any new or increased tariffs.

Fluctuations in currency exchange rates could materially adversely affect sales denominated in currencies other than the Canadian dollar and cause a reduction in revenues derived from sales in a particular country. Financial instability in foreign markets could also affect the sale of the Company's products in international jurisdictions. In addition, the Company may be denied access to its end

customers as a result of a closing of the borders of the countries in which it its products are sold due to economic, legislative, political, and military conditions in such countries.

There can be no assurance that such factors will not materially adversely affect the operations, growth prospects and sales of the Company and, consequently, its results of operations. In addition, revenues the Company earns in other jurisdictions may be subject to taxation by more than one jurisdiction, which could materially adversely affect the Company's earnings. Each of these factors could have an adverse effect on the Company's business, financial condition and results of operations.

Governmental Regulation

PyroGenesis is subject to a variety of federal, provincial, state, local and international laws and regulations relating namely to the environment, health and safety, export controls, currency exchange, labour and employment and taxation. These laws and regulations are complex, change frequently and have tended to become more stringent over time. Failure to comply with these laws and regulations may result in a variety of administrative, civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions as to future compliance. The Company may be subject to compliance audits by regulatory authorities in the various countries in which it operates.

Government-Funded Defense and Security Programs

Like most companies that supply products and services to governments, government agencies routinely audit and investigate government contractors. These agencies may review the Company's performance under its contracts, business processes, cost structure, and compliance with applicable laws, regulations and standards. The Company's incurred costs for each year are subject to audit by government agencies, which can result in payment demands related to costs they believe should be disallowed. The Company works with governments to assess the merits of claims and where appropriate reserve for amounts disputed. The Company could be required to provide repayments to governments, which may have a negative effect on its results of operations. Contrary to cost-reimbursable contracts, some costs may not be reimbursed or allowed under fixed-price contracts, which may have a negative effect on the Company's results of operations if it experiences costs overruns.

Environmental Liability

PyroGenesis is subject to various environmental laws and regulations enacted in the jurisdictions in which it operates, which govern the manufacturing, processing, importation, transportation, handling and disposal of certain materials used in the Company's operations. Management believes that it has adequate procedures in place to address compliance with current environmental laws and regulations. Furthermore, management monitors the Company's practices concerning the handling of environmentally hazardous materials. However, there can be no assurance that the Company's procedures will prevent environmental damage occurring from spills of materials handled by the Company or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. The Company may have the benefit of insurance maintained by it or the operator, however the Company may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons. The Company's clients are subject to similar environmental laws and regulations, as well as limits on emissions to the air and discharges into surface

and sub-surface waters. While regulatory developments that may follow in subsequent years could have the effect of reducing industry activity, the Company cannot predict the nature of the restrictions that may be imposed. The Company may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

Product Liability and Other Lawsuits

PyroGenesis is subject to a variety of potential product liabilities claims and other lawsuits related with its operations, including liabilities and expenses associated with product defects. The Company maintains product liability and other insurance coverage that management believes is generally in accordance with the market practice in its industry, but there can be no assurance that the Company will always be adequately insured against all such potential liabilities.

A malfunction or the inadequate design of the Company's products could result in product liability or other tort claims. Accidents involving the Company's products could lead to personal injury or physical damage. Any liability for damages resulting from malfunctions could be substantial and could materially adversely affect the Company's business and results of operations. In addition, a well-publicized actual or perceived problem could adversely affect the market's perception of the Company's products. This could result in a decline in demand for the Company's products, which would materially adversely affect the Company's financial condition and results of operations.

The sale and use of products and processes developed by the Company may entail potential liability and possible warranty claims. The Company may be subject to personal injury claims for injuries resulting from use of its products. Although the Company maintains product liability insurance, there can be no assurance that such insurance will continue to be available on commercially reasonable terms or that the risks covered or coverage amounts will be sufficient to cover all claims.

Information Systems Disruptions

The Company relies on various information technology systems to manage its operations. Over the last several years, the Company has implemented, and it continues to implement, modifications and upgrades to such systems, including changes to legacy systems, replacing legacy systems with successor systems with new functionality, and acquiring new systems with new functionality. These types of activities subject the Company to inherent costs and risks associated with replacing and changing these systems, including impairment of the Company's ability to fulfill customer orders, potential disruption of its internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time and other risks and costs of delays or difficulties in transitioning to or integrating new systems into the Company's current systems. These implementations, modifications, and upgrades may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, the difficulties with implementing new technology systems may cause disruptions in the Company's business operations and have a material adverse effect on its business, financial condition, or results of operations.

Security Breaches

As part of its day-to-day business, the Company stores its data and certain data about its customers in its global information technology system. Unauthorized access to the Company's data, including any regarding its customers, could expose the Company to a risk of loss of this information, loss of business, litigation and possible liability. These security measures may be breached by intentional misconduct by computer hackers, as a result of third-party action, employee error, malfeasance or otherwise. Additionally, third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as usernames, passwords, or other information in order to gain access to the data of the Company's customers or the Company's data, including the Company's intellectual property and other confidential business information, or the Company's information technology systems. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, the Company may be unable to anticipate these techniques or to implement adequate preventative measures. Any security breach could result in a loss of confidence by the Company's customers, damage its reputation, disrupt its business, lead to legal liability and negatively impact its future sales.

Public Health Crises

Public health crises, including local, regional, national or international outbreak of a contagious disease, could have an adverse effect on local economies, the global economy, and the markets in which the Company operates and markets its products, and may adversely impact the price and demand for the Company's products and the ability of the Company to operate and market its products. Any such alterations or modifications could cause substantial interruption to the Company's business, any of which could have a material adverse effect on the Company's operations or financial results, and could include temporary closures of one or more of the Company's or its partner's offices or facilities; temporary or long-term labor shortages; temporary or long-term adverse impacts on the Company's supply chain and distribution channels; the potential of increased network vulnerability and risk of data loss resulting from increased use of remote access and removal of data from the Company's facilities.

Litigation

The Company may from time to time become party to litigation, including in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources. Litigation may also create a negative perception of the Company's brand. For a summary of certain important legal proceedings, see "*Legal Proceedings*".

Trade Secrets May Be Difficult to Protect

The Company's success depends upon the skills, knowledge and experience of its scientific and technical personnel, consultants and advisors, as well as contractors. Because the Company operates in a highly competitive industry, it relies in part on trade secrets to protect its proprietary products and processes. However, trade secrets are difficult to protect. The Company generally enters into confidentiality or non-

disclosure agreements with its corporate partners, employees, consultants, outside scientific collaborators, developers and other advisors. These agreements generally require that the receiving party keep confidential, and not disclose to third parties, confidential information developed by the receiving party or made known to the receiving party by the Company during the course of the receiving party's relationship with the Company. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to the Company will be its exclusive property, and the Company enters into assignment agreements to perfect its rights.

These confidentiality, inventions and assignment agreements, where in place, may be breached and may not effectively assign intellectual property rights to the Company. The Company's trade secrets also could be independently discovered by competitors, in which case the Company would not be able to prevent the use of such trade secrets by its competitors. The enforcement of a claim alleging that a party illegally obtained and was using the Company's trade secrets could be difficult, expensive and time consuming and the outcome could be unpredictable. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Company's competitive position.

Risks Related to Acquiring Companies

The Company may acquire other companies in the future and there are risks inherent in any such acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Company is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Company's financial performance and results of operations. The Company could encounter additional transaction and integration related costs or other factors such as the failure to realize all the benefits from such acquisitions. All these factors could cause dilution to the Company's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Company's securities. The Company may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired company with its existing operations. If integration is not managed successfully by the Company's management, the Company may experience interruptions in its business activities, deterioration of its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on the management. There is no assurance these acquisitions will be successfully integrated in a timely manner.

Global Economic Uncertainty

Demand for the Company's products and services are influenced by general economic and consumer trends beyond the Company's control. There can be no assurance that the Company's business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, global economic conditions are still tight, and if such conditions continue, recur or worsen, there can be no assurance that they will not have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, such economic conditions have produced downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and

volatility continue, the Company might experience reductions in business activity, increased funding costs and funding pressures, as applicable, a decrease in the market price of the Common Shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

Inability to Renew Leases

The Company may be unable to renew or maintain its leases (commercial or real property) on commercially acceptable terms or at all. An inability to renew its leases, or a renewal of its leases with a rental rate higher than the prevailing rate under the applicable lease prior to expiration, may have an adverse impact on the Company's operations, including disruption of its operations or an increase in its cost of operations. In addition, in the event of non-renewal of any of the Company's leases, the Company may be unable to locate suitable replacement properties for its facilities, or it may experience delays in relocation that could lead to a disruption in its operations. Any disruption in the Company's operations could have an adverse effect on its financial condition and results of operations.

Financial Reporting and Other Public Issuer Requirements

As a public company, the Company is subject to the reporting requirements of the Canadian Securities Administrators, or the CSA, and the rules and regulations of the listing standards of the TSX and OTCQX Best Market. The requirements of these laws, rules and regulations have increased and will continue to increase the Company's legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on the Company's personnel, systems, and resources. The Company is continuing to develop and refine its disclosure controls and other procedures that are designed to ensure that information required to be disclosed by the Company in the reports that it will file with the CSA is recorded, processed, summarized, and reported within the time periods specified in CSA rules and forms and that information required to be disclosed in reports under applicable securities laws is accumulated and communicated to the Company's principal executive and financial officers. The Company is also continuing to improve its internal control over financial reporting. In order to improve the effectiveness of its disclosure controls and procedures and internal control over financial reporting, the Company has expended, and anticipate that it will continue to expend, significant resources, including accounting-related costs and significant management oversight.

The Company has identified certain material weaknesses in its internal controls, as more fully explained in its management's discussion and analysis for the year ended December 31, 2024, under "Disclosure Controls and Procedures". Additional weaknesses in the Company's disclosure controls and internal control over financial reporting may also be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm the Company's results of operations or cause the Company to fail to meet its reporting obligations and may result in a restatement of the Company's consolidated financial statements for prior periods. Any failure to improve and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of the Company's internal control over financial reporting that the Company will eventually be required to include in its periodic reports that will be filed with the CSA. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in the Company's reported financial and other information, which could have a negative effect on the trading price of the Common Shares. In addition, if the Company is unable to continue to meet these requirements, it may not be able to remain listed on the TSX, among others.

Influence of the Significant Shareholders

To the Company's knowledge, no shareholder beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to the Company's outstanding voting securities, except for Mr. P. Pascali, who holds or controls, directly or indirectly, 72,097,569 Common Shares, representing in aggregate 34.90% of the total voting rights attached to the outstanding Common Shares, and 11,130,572 share purchase warrants and options to acquire an additional 3,720,000 Common Shares (increasing the total number of Common Shares held or controlled, directly or indirectly, by him to 86,948,141 Common Shares, or 35.01% or the Common Shares, on a fully diluted basis). He also indirectly holds convertible debentures issued by the Company as part of the July 2023 Offering (described above in *Year Ended December 31, 2023 – Corporate Developments and Financings*) and controls the lending party to the December 2023 Loan, a convertible loan facility (described above in *Year Ended December 31, 2023 – Corporate Developments and Financings*) and a secured loan during 2025 (described above in *Year Ended December 31, 2025 – Corporate Developments and Financings*). In addition, from time to time, the Company may have other shareholders who have the ability to exercise significant influence over matters submitted to the shareholders of the Company for approval, whether subject to approval by a majority of the shareholders of the Company or subject to a class vote or special resolution. See "*Conflicts of Interest*".

Joint Venture/Partnership Arrangements

The Company may participate in joint ventures and partnerships with third parties. A joint venture or partnership arrangement involves certain additional risks including: (i) the possibility that a partner may at any time have economic or business interests or goals that are inconsistent with those of the Company or take actions contrary to the instructions or requests of the Company or contrary to the Company's objectives; (ii) the risk that the partner could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands on the Company; and (iii) the need to obtain the partner's consent with respect to certain major decisions. In addition, the sale or transfer of an interest in joint ventures and partnerships will generally be subject to rights of first refusal or first offer and certain other joint venture or partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when the Company may not desire the sale but may be forced to do so because it does not then have the financial resources with which to purchase the other parties' interests. The terms of any joint venture or partnership arrangement may not allow the Company to realize anticipated benefits and may adversely affect the Company and its business.

Limited Control Over the Company's Operations

Holders of the Common Shares have limited control over changes in the Company's policies and operations, which increases the uncertainty and risks of an investment in the Company. The Board determines major policies, including policies regarding financing, growth, debt capitalization and any future dividends to shareholders of the Company. Generally, the Board may amend or revise these and other policies without a vote of the holders of the Common Shares. The Board's broad discretion in setting policies and the limited ability of holders of the Common Shares to exert control over those policies increases the uncertainty and risks of an investment in the Company.

Change in Tax Laws

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to the Company. These enactments and events could require the Company to pay additional tax amounts on a prospective or retroactive basis, thereby substantially increasing the amount of taxes the Company is liable to pay in the relevant tax jurisdictions. Accordingly, these events could decrease the capital that the Company has available to operate its business. Any or all these events could harm the business and financial performance of the Company.

Forward-Looking Information

The forward-looking information included in this AIF relating to, among other things, the Company's future results, performance, achievements, prospects, targets, intentions or opportunities or the markets in which it operates (including, in particular, the information contained under "Business of the Company", and the other statements listed in "Forward-Looking Statements") is based on opinions, assumptions and estimates made by the Company's management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. The Company's actual results in the future may vary significantly from the historical and estimated results and those variations may be material. The Company makes no representation that its actual results in the future will be the same, in whole or in part, as those included in this AIF. See "*Forward-Looking Statements*".

Credit Facilities

The Company's credit facilities and financing agreements mature on various dates. There can be no assurance that such credit facilities or financing agreements will be renewed or refinanced, or if renewed or refinanced, that the renewal or refinancing will occur on equally favourable terms to the Company. The Company's ability to continue operating may be adversely affected if the Company is not able to renew its credit facilities or arrange refinancing, or if such renewal or refinancing, as the case may be, occurs on terms materially less favorable to the Company than at present. The Company's current credit facilities and financing agreements have no imposed financial covenants and obligations on the Company. In the event of the contrary, there is a risk that such loans may go into default if there is a breach in complying with such covenants and obligations, which could result in the lenders realizing on their security and causing our shareholders to lose some or all their investment.

12.2. Risks Related to the Company's Securities

Potential Volatility of Common Share Price

The market price of the Common Shares could be subject to significant fluctuations. Some of the factors that may cause the market price of the Common Shares to fluctuate include:

- the public's reaction to the Company's press releases, announcements and filings with regulatory authorities and those of its competitors;

- fluctuations in broader stock market prices and volumes;
- changes in market valuations of similar companies;
- investor perception of the Company, its prospects or the industry in general;
- additions or departures of key personnel;
- commencement of or involvement in litigation;
- announcements by the Company or its competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;
- variations in the Company's quarterly results of operations or cash flows or those of other comparable companies;
- revenues and operating results failing to meet the expectations of securities analysts or investors in particular quarter;
- changes in the Company's pricing policies or the pricing policies of its competitors;
- future issuances and sales of Common Shares;
- sales of Common Shares by insiders of the Company;
- third party disclosure of significant short positions;
- demand for and trading volume of Common Shares;
- changes in securities analysts' recommendations and their estimates of the Company's financial performance;
- short-term fluctuation in stock price caused by changes in general conditions in the domestic and worldwide economies or financial markets; and
- the other risk factors described under this heading of the AIF.

The realization of any of these risks and other factors beyond the Company's control could cause the market price of the Common Shares to decline significantly.

In addition, broad market and industry factors may harm the market price of the Common Shares. Hence, the price of the Common Shares could fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations could materially reduce the price of the Common Shares regardless of the Company's operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If the Company were involved in any similar litigation, it could incur substantial costs, management's attention and resources could be diverted and it could harm the Company's business, operating results and financial condition.

Market Liquidity

The market price for the Common Shares could be subject to wide fluctuations. Factors such as the announcement of significant contracts, technological innovations, new commercial products, patents, a change in regulations, quarterly financial results, future sales of Common Shares by the Company or current shareholders, and many other factors could have considerable repercussions on the price of the Common Shares. In addition, the financial markets may experience significant price and value fluctuations that affect the market prices of equity securities of companies that sometimes are unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally may adversely affect the market price of the Common Shares.

Dividends to Shareholders

The Company does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Company currently intends to retain all future earnings to fund the development and growth of its business. Any payment of future dividends will be at the discretion of the directors and will depend on, among other things, the Company's earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that the directors deem relevant.

Impact of Future Sales by Existing Shareholders

If the Company's shareholders sell substantial amounts of the Common Shares in the public market, the market price of the Common Shares could decrease. The perception among investors that these sales will occur could also produce this effect. All currently outstanding Common Shares other than those subject to lock-up agreements executed by certain existing shareholders will, subject to applicable securities laws, generally be immediately available for resale in the public markets.

Subject to compliance with applicable securities laws, the Company's officers, directors and their affiliates may sell some or all of their Common Shares in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the Company's officers, directors and their affiliates, or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Common Shares.

Additional Common Shares issuable upon the exercise of stock options may also be available for sale in the public market, which may also cause the market price of the Common Shares to fall. Accordingly, if substantial amounts of Common Shares are sold in the public market, the market price could fall.

Working Capital and Future Issuances

The Company may issue additional Common Shares in the future which may dilute a shareholder's holdings in the Company. The Articles permit the issuance of an unlimited number of Common Shares, and shareholders of the Company will have no pre-emptive rights in connection with any further issuances. The directors of the Company have the discretion to determine the provisions attaching to the Common Shares and the price and the terms of issue of further Common Shares.

Additional equity financing may be dilutive to holders of Common Shares. Debt financing may involve restrictions on the Company's financing and operating activities. Debt financing may be convertible into other securities of the Company which may result in immediate or resulting dilution. In either case, additional financing may not be available to the Company on acceptable terms or at all. If the Company is unable to raise additional funds as needed, the scope of its operations or growth may be reduced and, as a result, the Company may be unable to fulfil its long-term goals. In this case, investors may lose all or part of their investment. Any default under such debt instruments could have a material adverse effect on the Company, its business or the results of operations.

Securities or Industry Analysts

The trading market for Common Shares could be influenced by the research and reports that industry and/or securities analysts may publish about the Company, its business, the market or competitors. If any of the analysts who may cover the Company's business change their recommendation regarding the Common Shares adversely, or provide more favourable relative recommendations about its competitors, the share price would likely decline. If any analyst who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the share price or trading volume to decline.

12.3. Risks Related to the Company's Previous Status as a Foreign Private Issuer

Information Publicly Available to the Company's U.S. Shareholders Prior to Voluntary Delisting

Until its voluntary delisting from NASDAQ in November 2023 (see "General Development of the Business – Year Ended December 31, 2023"), the Company was a foreign private issuer under applicable U.S. federal securities laws. As a result, the Company did not file the same reports that a U.S. domestic issuer would file with the U.S. Securities and Exchange Commission (the "**SEC**"), although the Company was required to file with or furnish to the SEC the continuous disclosure documents that the Company was required to file in Canada under Canadian Securities Laws, in certain respects the reporting obligations are less detailed and less frequent than those of U.S. domestic reporting companies. In addition, the Company's officers, directors and principal shareholders were exempt from the reporting and short-swing profit recovery provisions of Section 16 of the U.S. Securities Exchange Act. of 1934, as amended (the "**Exchange Act**"). Therefore, the Company's shareholders may not have known on as timely a basis when the Company's officers, directors and principal shareholders purchased or sold Common Shares as the reporting periods under the corresponding Canadian insider reporting requirements are longer.

While a foreign private issuer the Company was exempt from the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements. The Company was also exempt from Regulation FD, which prohibits issuers from making selective disclosures of material non-public information. While the Company complied with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Canadian securities laws, these requirements differ from those under the Exchange Act and Regulation FD and shareholders would not have received the same information at the same time as such information would have been provided by U.S. domestic companies. In addition, the Company was not necessarily required under the Exchange Act

to file annual and quarterly reports with the SEC as promptly as U.S. domestic companies whose securities are registered under the Exchange Act.

In addition, as a foreign private issuer, the Company had the option to follow certain Canadian corporate governance practices, except to the extent that such laws would be contrary to U.S. securities laws, and provided that the Company disclosed the requirements it was not following and described the Canadian practices it followed instead. Until its voluntary delisting from NASDAQ, the Company relied on this exemption. As a result, the Company's shareholders would not have had the same protections afforded to shareholders of U.S. domestic companies that are subject to all U.S. corporate governance requirements.

Inability for U.S. Investors to Enforce Certain Judgments

The Company is a corporation existing under the Canada Business Corporations Act. A number of the Company's directors and officers are residents of Canada, and substantially all the Company's assets are located outside the United States. As a result, it may be difficult to effect service within the United States upon the Company or upon its directors and officers. Execution by United States courts of any judgment obtained against the Company or any of the Company's directors or officers in United States courts may be limited to the assets of such companies or such persons, as the case may be, located in the United States. It may also be difficult for holders of securities who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon civil liability and the civil liability of the Company's directors and executive officers under the United States federal securities laws. The Company has been advised that a judgment of a U.S. court predicated solely upon civil liability under U.S. federal securities laws or the securities or "blue sky" laws of any state within the United States, would likely be enforceable in Canada if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that would be recognized by a Canadian court for the same purposes. However, there may be doubt as to the enforceability in Canada against these non-U.S. entities or their controlling persons, directors and officers who are not residents of the United States, in original actions or in actions for enforcement of judgments of courts of the United States, of liabilities predicated solely upon U.S. federal or state securities laws.

13. Legal Proceedings

The Company may from time to time be involved in legal proceedings. The Company is not involved in any legal proceedings which, individually or in the aggregate, would be material to the Company's consolidated financial condition or results of operations, except as follows:

The Company filed an originating application on August 11, 2022, petitioning the Quebec Superior Court to order P. Riopel (1993) Inc. to convey title of the property at which the Turcot Facility is located. The property is the location of one of the Company's two manufacturing facilities. The petition followed the Company's exercise of its contractual option to purchase the property for $2,750,000. On December 23, 2022, P. Riopel (1993) Inc. filed a counterclaim in which it sought damages in the amount of $415,425, alleging that the Company breached the lease agreement between the parties.

As previously disclosed, the Company learned that the AMF, the securities regulatory authority in the Province of Quebec, had investigated certain actions taken by Mr. P. Pascali, in connection with the Phoenix 2018 Transactions. Pursuant to the terms of the board approved settlement agreement, and as

further disclosed in the annual information form of the Company for the year ended December 31, 2020, the Company issued $3.7 million of units comprised of Common Shares and warrants to Phoenix in 2018, to settle a $5.5 million claim of Phoenix with respect to the unpaid portion of the consideration payable by the Company to Phoenix for an acquisition of intellectual property rights completed in 2011. In August 2023, the AMF initiated administrative proceedings against Mr. P. Pascali, Mr. Curleigh, and the Company, for actions taken in connection with the Phoenix 2018 Transactions. The AMF alleges that Mr. P. Pascali was in breach of section 199.1(2) of the Securities Act (Québec), Mr. P. Pascali and the Company made misrepresentations in breach of sections 196 and 197 of the Securities Act (Québec), Mr. P. Pascali and the Company failed to comply with certain disclosure obligations under applicable securities legislation, and Mr. P. Pascali and Mr. Curleigh failed to comply with their fiduciary duties as directors of the Company. The AMF is seeking administrative penalties totaling $4.20 million and a disgorgement order of $9.57 million from Mr. P. Pascali and administrative penalties totaling $550,000 against the Company. The AMF is also seeking orders prohibiting Mr. P. Pascali and Mr. Curleigh to act as an officer or director of a reporting issuer for 5 years. Each of Mr. P. Pascali, Mr. Curleigh and the Company has denied the allegations against them and believes they are without merit.

14. Interest of Management and Others in Material Transactions

Other than as described elsewhere in this AIF and as described below, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Company; (ii) any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's outstanding voting securities; or (iii) an associate or any affiliate of any persons or companies referred to above in (i) or (ii), in any transaction within the three years before the date of this AIF that has materially affected or is reasonably expected to materially affect the Company. See "*Directors and Executive Officers – Conflicts of Interest*".

15. Transfer Agent and Registrar

The transfer agent and registrar of the Company's Common Shares is TSX Trust Company (Canada) having an office at 2001 Robert-Bourassa Boulevard, Suite 1600, Montréal, Québec, H3A 2A6. The transfer agent and registrar of the Company's Common Shares in the United States is American Stock Transfer & Trust Company, LLC, having an office at 6201 15th Ave, Brooklyn, NY 11219, United States.

16. Auditors

The auditors of the Company are RCGT at its office located at 600 de la Gauchetière Street West, Suite 2000, Montréal, Québec. RCGT has informed the Company that it is independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada.

17. Material Contracts

This AIF includes a summary description of certain material contracts. Each summary description discloses all material attributes of the applicable contract but is not complete and is qualified by reference to the terms of the material contracts, which are available under the Company's SEDAR+ profile at www.sedarplus.ca. The following are the Company's only material contracts, other than those contracts

entered into in the ordinary course of business, which have been entered into since the beginning of its last financial year, or entered into prior to such date, but which are still in effect and which are required to be filed with Canadian securities regulatory authorities:

- Purchase Agreement between PyroGenesis and HPQ Silicon dated July 29, 2016 whereby HPQ Silicon purchased certain intellectual property and the Company contracted to build a PUREVAP system for $7,070,000, which contract refers to certain terms in a development contract between HPQ Silicon (f/k/a Uragold Bay Resources Inc.) dated February 26, 2015, as amended from time to time, as described under the "*Business of the Company - Products and Services - Development of Processes to Produce High Purity Silicon Metals, Nano Powders and Nanowires*";

- Development and Purchase Agreement between PyroGenesis and HPQ Polvere dated June 30, 2021 whereby HPQ Polvere purchased certain intellectual property and the Company contracted to advance the development of a green reactor and process used to produce fumed silica directly from quartz in consideration for $3,300,000, as described under "*Business of the Company - Products and Services - Development of a Process to Produce Fuming Silica from Quartz*"; and

- Purchase Agreement between PyroGenesis and HPQ Silicon effective as of September 30, 2022, in which PyroGenesis sold and transferred to HPQ Silicon the rights in the provisional patent application no. 63,408,442, which relates to the PUREVAP quartz vaporization technology, for an aggregate purchase price of $3,600,000, as described under the "*Business of the Company - Products and Services - Development of Processes to Produce High Purity Silicon Metals, Nano Powders and Nanowires*".

18. Additional Information

Additional information, including with respect to directors' and executive officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular for its most recent annual meeting of shareholders that involved the election of directors which is available under the Company's SEDAR+ profile at www.sedarplus.ca. Additional financial information is contained in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2024. Further information about the Company, filed with Canadian securities regulators, is available online under the Company's SEDAR+ profile at www.sedarplus.ca.

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19. Glossary of Terms

"**AIF**" means this annual information form.

"**AMF**" means Autorité des marchés financiers.

"**Articles**" has the meaning given to such term under "*Description of Capital Structure*".

"**Audit Committee**" means the Company's audit committee.

"**Board**" or "**Board of Directors**" means the board of directors of the Company.

"**CBCA**" means the Canada Business Corporations Act.

"**CFC**" means chlorofluorocarbons.

"**Common Share**" means a common share in the capital of the Company, as described under "*Description of Capital Structure - Share Capital and Issued and Outstanding Shares*".

"**Company**" has the meaning given to such term under "*Explanatory Notes*".

"**December 2023 Loan**" has the meaning given to such term under "Year Ended December 31, 2023 – Corporate Developments and Financings".

"**Dross Processing Service Agreement**" has the meaning given to such term under "*General Development of the Business – Year Ended December 31, 2023*".

"**Exchange Act**" means the U.S. Securities Exchange Act. of 1934, as amended.

"**forward-looking statements**" has the meaning given to such term under "Forward-Looking Statements".

"**GHG**" means greenhouse gas.

"**HCFC**" means hydrochlorofluorocarbons.

"**HFC**" means hydrofluorocarbons.

"**HPQ Nano**" means HPQ Nano Silicon Powders Inc., a wholly owned subsidiary of HPQ Silicon.

"HPQ Polvere" means HPQ Silica Polvere Inc., a wholly owned subsidiary of HPQ Silicon.

"**HPQ Silicon**" means HPQ Silicon Resources Inc., a corporation listed for trading on the TSX-V.

"**ISO**" means International Organization for Standardization.

"**July 2023 Offering**" has the meaning given to such term under "*Year Ended December 31, 2023 – Corporate Developments and Financings*".

"**July 2023 Convertible Debenture**" has the meaning given to such term under "*Year Ended December 31, 2023 – Corporate Developments and Financings*".

"**July 2023 Convertible Debenture Units**" has the meaning given to such term under "*Year Ended December 31, 2023 – Corporate Developments and Financings*".

"**July 2023 Warrant**" has the meaning given to such term under "*Year Ended December 31, 2023 – Corporate Developments and Financings*".

"**Mellon Trust**" means Fiducie de Crédit Mellon Trust, a trust of which Company's Chief Executive Officer, P. Peter Pascali, is a trustee, officer and beneficiary.

"**Mr. Curleigh**" means Alan Curleigh, Chair of the Board of the Company.

"**Mr. P. Pascali**" means P. Peter Pascali, President, Chief Executive Officer and director of the Company.

"**NASDAQ**" means the NASDAQ Capital Market.

"**NI 52-110**" means National Instrument 52-110 — *Audit Committees*.

"**ODS**" means ozone depleting substances.

"**PACWADS**" means the Company's Plasma Arc Chemical Warfare Agent Destruction System.

"**PAGV**" means plasma arc gasification and vitrification.

"**PAWDS**" means the Company's Plasma Arc Waste Destruction System.

"**Phoenix**" means Phoenix Haute Technology Inc., a company previously controlled by the late father of P. Peter Pascali.

"**Phoenix 2018 Transactions**" means the settlement agreement entered into on April 30, 2018, between the Company and Phoenix and ancillary transactions.

"**PyroGenesis International**" means PyroGenesis International LLC, a US-based private company, formerly known as Drosrite International LLC.

"**PyroGenesis International Exclusive Agreement**" has the meaning given to such term under "*General Development of the Business – Year Ended December 31, 2023*".

"**RCGT**" means Raymond Chabot Grant Thornton LLP, the Company's external auditors.

"**RNG**" means renewable natural gas.

"**PRRS**" means the Company's Plasma Resource Recovery System.

"**SPARC**" means Steam Plasma Arc Refrigerant Cracking.

"**TSX**" means the Toronto Stock Exchange.

"**TSX-V**" means the TSX Venture Exchange.

"**Turcot Facility**" means the facility located at 5655 Philippe-Turcot, Montréal, Québec, Canada, H4C 3K8, as described in "*6.6* Facilities*"*.

"**Wanklyn Facility**" means the facility located at 9371 Wanklyn Street, LaSalle, Québec, Canada, H8R 1Z2, as described in "*6.6* Facilities*"*.

SCHEDULE "A" CHARTER OF THE AUDIT COMMITTEE

PYROGENESIS INC.

AUDIT COMMITTEE CHARTER

Approved by the Board of Directors
and effective as of October 25th, 2011

PREAMBLE

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

OVERALL MANDATE

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

COMPOSITION

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

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

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

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

DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

OVERSEEING STANDARDS OF INTEGRITY AND BEHAVIOUR

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

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

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

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

OVERSEEING FINANCIAL REPORTING

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

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

(a) oversee the accounting and financial reporting processes of the Company and the audit of its financial statements including:

    i. the integrity of the Company's financial statements;

ii. the compliance with legal and regulatory requirements; and,
iii. the independent auditor's qualifications and independence;

(b) serve as an independent and objective party to monitor the Company's financial reporting process and internal control systems;

(c) review and appraise the audit activities of the Company's independent auditors;

(d) provide open lines of communication among the independent auditors, financial and senior management and the Board for financial reporting and control matters and meet periodically with management and with the independent auditors.

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

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

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

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

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

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

OVERSEEING MANAGEMENT CONTROL PRACTICES

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

Management is responsible for identifying the principal business risks facing the Company and formulating the Company's risk tolerance levels and risk management policies for consideration

and approval by the Board. The Committee assists the Board in this function, focusing on the financial risks.

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

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

OVERSEEING WORK OF AUDITORS

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

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

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

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

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

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

1. establishing the purpose and terms of reference for the audit;
2. selection and organization of a team of experienced professionals to plan and conduct the audit;
3. conduct of the audit; and
4. reviews all the audit results and findings and reports to the Board.

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

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

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

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

Periodically, the Committee evaluates the performance of each auditor.

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

OPERATIONAL RESPONSIBILITIES

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

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

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

OTHER RESPONSIBILITIES

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

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

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

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

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

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

OPERATING PROCEDURES

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

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

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

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

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

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

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

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

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

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

LIMITATION ON THE COMMITTEE'S DUTIES

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