ANNUAL INFORMATION FORM

For the year ended December 31, 2014

March 30, 2015

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements and forward-looking information (collectively, "forward-looking statements"). All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "propose", "focus", "feel", "target", "intend", "possibly", "believe", "should","could","would","strategy", "potentially", "continue", "anticipate", "estimate" or other similar words or phrases, or statements that certain events or conditions "may" or "will" occur. In particular, this Annual Information Form contains forward-looking statements pertaining to capital expenditures, schedules and commencement of operations of existing projects and projects under development; business plans; availability of project financing; timing of and estimated projected gross proceeds from potential sales; industry trends; factors influencing capital investments and development activities; the Corporation's reputation and market position within the industries in which it operates, the Corporation's strategy and competitive advantages; expected outcomes of negotiations with third parties and changes to existing contracts; expectations as to project achievements and results of operations; expectations as to regulatory approvals; expectations as to future revenues; the Corporation's plans regarding the development of new sustainable energy solutions; and factors that will influence any future payments of dividends; value of the Corporation's Common Shares; expectations and dependence on the roles of third parties; reliance on technology and the validity of the Corporation's intellectual property rights; and factors affecting the quality and availability of key personnel of the Corporation.

With respect to the forward-looking statements contained in this Annual Information Form, Management made estimates and assumptions with respect to the following:

- availability and cost of key materials and labour and availability of funds with respect to the amount of capital expenditures and scheduled commencement of operations;
- timing of regulatory approval including various permits from federal, provincial, state and local authorities;
- the assessment of capital markets including the availability of debt and equity in current market conditions;
- commodity prices for electricity, natural gas, coal and other resources that impact the Corporation's operations directly and indirectly;
- extent of investment by government authorities in infrastructure projects;
- the financial and operational health of key partners in various projects and the future production of their operations; and
- the continued development of the Corporation's technology and its use in various applications.

These assumptions are based on certain factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

Forward-looking statements are subject to a number of unknown risks and uncertainties and other factors which may cause actual results to differ materially from the results discussed in the forward-looking statements, many of which are beyond the control of the Corporation. Among the material factors that could cause actual results to differ materially from those indicated by such forward-looking statements are:

- that the information is of a preliminary nature and may be subject to further adjustment;
- the completion of key customers' projects;
- arrangements with key suppliers;
- potential product liability and other claims;
- other business risks outlined in this Annual Information Form, including risks associated with the proprietary technology;
- the possibility that financing at competitive rates will be unavailable and the related effect on development activities;
- the effect of energy price fluctuations;
- changes in government regulation, including changes to environmental regulations;
- the effects of competition;

- the dependence on senior Management and key personnel; and
- fluctuations in currency exchange rates and interest rates.

The Corporation cautions that the foregoing lists of assumptions, risks and uncertainties are not exhaustive. The forward-looking information contained in this Annual Information Form speaks only as of the date of this Annual Information Form, and the Corporation assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

GLOSSARY OF TERMS

Unless the context otherwise requires, in this Annual Information Form, the following terms and abbreviations have the meanings set forth below.

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations thereunder;

"**Air Products**" means Air Products and Chemicals, Inc.;

"**Alter NRG**" or the "**Corporation**" means Alter NRG Corp., a corporation incorporated under the ABCA;

"**Bellair**" means Bellair Ventures Inc.;

"**Board of Directors**" or **"Board**" means the board of directors of the Corporation, as from time to time constituted;

"**Cahill Energy**" means Cahill Energy Limited.;

"**CleanEnergy**" means Clean Energy Developments Corp., a corporation incorporated under the OBCA;

"**CO_2**" means carbon dioxide;

"**COS**" means carbonyl sulphide;

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

"**Corporation's Predecessor**" means Alter NRG Ltd., a corporation incorporated under the ABCA and an indirect, wholly-owned subsidiary of the Corporation;

"Ervington" means Ervington Investments Ltd.;

"Everbright" means China Everbright International., Ltd.;

"**Existing Business**" means the business carried on by the Corporation and its subsidiaries, as outlined under "Description of the Business";

"**GE**" means General Electric Ltd;

"**Green Environmental Solutions**" means Shanghai Machinery Complete Equipment (Group) Corp. Ltd.;

"**GreenWorld Energy Solutions**" means GreenWorld Energy Solutions Corp.;

"**GTS Energy**" means GTS Energy Technology (Shanghai) Ltd;

"**GuanChuan**" means Bejing Huanyu GuanChuan Plasma Technology., Ltd;

"**Harvest**" means Harvest International New Energy, Inc.;

"**H_2S**" means hydrogen sulfide;

"**IPO**" means the Corporation's initial public offering of 15,555,556 Common Shares for gross proceeds of $35,000,001, which closed on April 17, 2007;

"**IFRS**" means International Financial Reporting Standards;

"**Kaidi**" means Sunshine Kaidi New Energy Group Co., Ltd.;

"**LNG**" means Liquid Natural Gas;

"**Management**" means the management of the Corporation;

"**MHC**" means MHC (Services) Ltd.;

"**MSW**" means municipal solid waste matter;

"**NO_x**" means a mixture of nitrogen monoxide and nitrogen dioxide, a pollutant;

"**OBCA**" means the *Business Corporations Act* (Ontario), including the regulations thereunder;

"**person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

"**petcoke**" means petroleum coke, a carbonaceous solid derived from oil refinery coker units or other cracking processes;

"**Reorganization**" means the reorganization of the Trust into the Corporation, pursuant to a plan of arrangement made effective April 17, 2007;

"Rentech" means Rentech, Inc.;

"**Share Consolidation**" is the consolidation of the Corporation's common shares on a ratio of four (4) existing common shares for one (1) new common share;

"**Shareholder**" means a holder from time to time of Common Shares;

"**slag**" means a glass-like, non-hazardous product produced from gasification of feedstocks by the Alter NRG/Westinghouse Plasma Technology;

"**SMS**" means SMS Infrastructures;

"**SO_x**" is shorthand for any of the oxides of sulphur including sulphur monoxide, sulphur dioxide or sulphur trioxide;

"STAG" means Special Technology Advisory Group;

"SustainCo" means SustainCo Inc.;

"**syngas**" is the name given to a synthesis gas mixture containing amounts of carbon monoxide and hydrogen;

"**Tipping Fees**" means the revenue received at WTE facility gates from receipt of waste, which is based on a combination of weight and type of waste;

"**Trust**" means Alter NRG Income Fund, a trust established by the Trust Indenture under the laws of the Province of Alberta and a wholly-owned subsidiary of the Corporation;

"**Trust Indenture**" means the indenture dated April 28, 2006 among the Trust Trustee, the Corporate Predecessor and Cameron M. Proctor, as settlor, under which the Trust was created, as the same may be amended from time to time;

"**Trust Trustee**" means Valiant Trust Company or any other entity appointed as trustee of the Trust pursuant to the terms of the Trust Indenture;

"**Trust Units**" means fully paid and non-assessable trust units of the Trust as presently constituted;

"TSX" means the Toronto Stock Exchange;

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

"**UK**" means United Kingdom;

"**US$**" means United States dollars;

"**WEC**" means Westinghouse Electric Corporation;

"**WPC**" or "**Westinghouse Plasma**" means Westinghouse Plasma Corporation, a wholly-owned subsidiary of the Corporation acquired pursuant to the WPC Acquisition;

"**Waste2Tricity**" means Waste2Tricity International (Thailand) Limited;

"**Westinghouse Plasma Gasification Solution**" means the high temperature plasma gasification business of WPC;

"**WPC Acquisition**" means the acquisition by the Corporation of WPC, which closed on April 17, 2007 concurrently with the closing of the IPO;

"**Westinghouse Plasma Technology**" takes renewable feedstocks such as household, commercial or industrial waste, biomass, or combinations of feedstocks and, through the application of intense heat, converts these feedstocks into a syngas used in many direct applications, such as producing steam and power; and

"**WTE**" means waste to energy.

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

STRUCTURE OF THE CORPORATION

Alter NRG Corp.

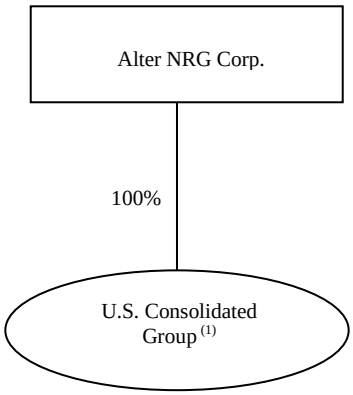
The Corporation was incorporated under the ABCA on February 20, 2007. Pursuant to the Reorganization, the Corporation filed Articles of Arrangement on April 17, 2007. The head and registered offices of the Corporation are located at Suite #460, 227 –11th Avenue S.W., Calgary, Alberta, T2R 1R9. References to "Alter NRG" or "the Corporation" and "Common Shares" in this Annual Information Form for periods prior to April 17, 2007 should be read as references to "the Trust" or its administrator, "the Corporate Predecessor" and "Trust Units", respectively, where applicable.

Westinghouse Plasma Corporation

WPC was incorporated under the laws of the Commonwealth of Pennsylvania on January 29, 1999 as "Plasma Acquisition Corporation". Plasma Acquisition Corporation was subsequently renamed "Westinghouse Plasma Corporation" by Articles of Amendment filed on April 14, 1999. WPC is a wholly-owned subsidiary of the Corporation. The head and registered offices of WPC are located at and the principal functions of WPC are performed at P.O. Box 410, I-70 Exit 54, Madison, Pennsylvania 15663.

Organizational Chart

The simplified organizational structure of Alter NRG, including the material subsidiaries of Alter NRG, is set forth below:



Note:

(1) Comprised of the subsidiaries of the Corporation operating in the United States, including WPC.

GENERAL DEVELOPMENT OF THE BUSINESS OF THE CORPORATION

Overview

Alter NRG's core focus is the WPC gasification technology. The Corporation markets and sells plasma technology through its wholly-owned subsidiary, Westinghouse Plasma. The Corporation's vision is to provide the leading technology platform for converting the world's waste into clean energy for a healthier planet.

The Corporation's predecessor to the Existing Business, was incorporated in November of 2005 and commenced operations in March of 2006. The Corporation has since secured an established gasification technology, namely the Westinghouse Plasma Gasification Solution.

Alter NRG's mission is to forge and to be an industry leader that transforms current waste management practices. The Corporation builds shareholder value by enabling customers to convert waste into clean energy by providing plasma gasification products, services and solutions that are innovative and environmentally friendly.

Westinghouse Plasma has created industry leading plasma gasification technology that provides clean and renewable energy solutions. Plasma gasification can take renewable feedstocks such as household waste, commercial waste, industrial waste, hazardous waste, waste biomass, or combinations of feedstocks and turn them into syngas. The syngas can be used as a replacement to fuel oil or natural gas, or converted into ethanol, diesel fuel or electricity. This provides clean energy that has a lower carbon footprint and lower emissions of other harmful pollutants and provides affordable domestic energy sources. This is a commercially proven technology being used in facilities turning waste into energy since 2002 and the Corporation can take clients to reference facilities around the world, which provides a major commercial advantage.

Plasma gasification facilities are large-scale energy projects. The whole facility cost is generally $50 million to $500 million. The sales cycle for a project is generally three to seven years. In the initial project development stages, the Corporation receives engineering fees and site license fees, which are generally $1.5 million to $6 million per project. After the project receives regulatory approvals and has project financing, customers order the plasma gasifier equipment which generally would be $10 million to $50 million depending on facility size. In the Asian market, revenues are generated through licensing fees, engineering fees and plasma torch sales, which on these smaller scale projects are expected to be $2 million to $5 million per project depending on the Corporation's eventual scope of supply. The Corporation has also signed joint marketing agreements for turn-key hazardous waste solutions where it will market complete hazardous waste solutions based on a reference facility that has recently been commissioned in Shanghai, China.

Westinghouse Plasma sells technology worldwide, and has either been selected or recommended as the core technology for projects in North America, South America, the European Union, the Middle East and Asia Pacific. Many of these projects are being developed by Fortune 500 and other credible companies such as Air Products, Kaidi, SMS Infrastructures, Everbright, GreenWorld Energy Solutions, GTS Energy and others.

The sale of the Corporation's large-scale gasifier to Air Products has accelerated the pace of adoption and the Corporation is currently negotiating sales agreements with large, well respected companies around the world with the intention to continue to add to its customer base. The remaining projects are being developed by smaller entrepreneurial companies, the majority of which focus exclusively on building plasma gasification facilities using the Westinghouse Plasma Technology. Westinghouse Plasma intends to support the developers that have the most advanced projects and the capability to execute on their projects.

The reference facilities in Shanghai, China, Mihama Mikata, Japan and Pune, India are also providing opportunities for the Corporation. Hazardous waste is created by many different industrial and manufacturing processes; it is a growing problem that is experiencing increased regulatory and environmental scrutiny. Alter NRG's facility in Pune India has successfully processed over 500 different types of hazardous waste since 2008 which has shown the robust capability of the technology. The facility in Shanghai, China processes medical waste, incinerator ash and other hazardous waste streams and was built using modular construction techniques that have reduced the capital cost, as well as making the low cost system replicable around the world as it can be delivered in modules. This allows for a turn-key product that Alter NRG now offers that has a shorter sales cycle and shorter permitting cycle than the large-scale facilities.

As the core technology provider of proprietary technology, Alter NRG is often able to negotiate an option to co-invest in the projects themselves, as well as the ability to participate in late development stage opportunities by bringing financial expertise and relationships with engineering companies. In most cases, the projects have strong project economics and are operated by well-respected companies. The Corporation intends to re-invest the cashflow from technology sales, negotiate carried interests, and/or find third party investment into projects with a high rate of return and that are operated by qualified companies to generate recurring revenues. As the Westinghouse Plasma Solution continues to gain traction in the marketplace, companies are looking for exclusivity in certain geographic regions. Alter NRG is currently negotiating exclusive license agreements with well-respected companies, which in most cases include ongoing royalties and/or an option to co-invest to provide recurring cashflows. On March 5, 2014 the Corporation announced the execution of a joint development and marketing agreement and the launch of a small scale, turn-key hazardous waste destruction solution with GTS Energy.

Although Westinghouse Plasma is located in the United States, ongoing oversight occurs continually from the Canadian head office of Alter NRG. Financial management is entirely centralized at the Canadian head office.

Year to Date Developments

Alter NRG Corp.

- On January 14, 2014 the Corporation announced the appointment of Wayne Sim to the Board of Directors of Alter NRG and the implementation of "STAG" which includes industry experts for various market segments including conversion of syngas to liquids fuels, WTE facilities in Europe, and the use of plasma torches for industrial and metallurgical applications.

- On February 10, 2014 the Corporation completed a private placement of 7,812,500 Common Shares issued at a subscription price of $0.64 per Common Share for gross proceeds of approximately $5 million.

- On May 12, 2014 the Corporation announced the appointment of Scott Whitney, former president of Covanta Energy LLC, to the Board of Directors of Alter NRG.

- On May 12, 2014 the Corporation announced the appointment of Robert Jones, former GE Senior Product Manager for Syngas Power Island Products, to the Alter NRG STAG.

- On June 26, 2014 the Corporation announced the completion of the consolidation of its Common Shares on a ratio of four (4) existing Common Shares for one (1) new Common Share (the "Share Consolidation").

Westinghouse Plasma

The Westinghouse Plasma business continued to grow during 2014. The year ended December 31, 2014 was a record year in terms of revenue, minimizing the operational cash burn, and increasing the pipeline of opportunities. The Westinghouse Plasma Technology continues to be the market leader in terms of reference facilities and commercial experience in next generation WTE solutions. Westinghouse Plasma accomplished a number of important strategic milestones in 2014, including the following:

- Announced the Marc 4.5 Westinghouse Plasma torch which provides up to 40% greater overall torch efficiency. In addition to supporting Westinghouse Plasma WTE facilities, the newly designed torch is an efficient and clean heat source for metallurgical recycling, blast-furnaces, foundry cupolas, iron making and other industries using coal, coke or higher cost fuels. These torches have been delivered to the Tees Valley, England site for commissioning.

- Supported the commissioning of a hazardous waste destruction facility in Shanghai, China being operated by GTS Energy. This reference facility handles 30 tonnes per day and complements the incineration market as it turns medical waste and hazardous incinerator fly-ash into an environmentally friendly slag and provides increased energy production. In the first quarter of 2014, the Corporation signed a joint development and marketing agreement which provides for worldwide selling and marketing rights for the sale of turn-key WTE destruction units. Alter NRG is finalizing product specifications and marketing materials for this product. Once successfully commissioned, potential customers began touring the facility. In November 2014, the Corporation and GTS Energy co-hosted an open house with over 75 potential customers in attendance.

- The Corporation announced a US$15 million sale of the Westinghouse Plasma Gasification Solution in Bijie, China. The project is anticipated to take 600 tonnes per day of waste and convert it into electricity and slag by-products. The project ran into a regulatory delay, however received final approvals late in the fourth quarter of 2014. The project is currently in the engineering phase and the site is being prepared for construction. The scope of supply is being finalized and WPC expects this will be followed by commencement of fabrication of the Westinghouse Plasma Gasifier. This project is being advanced by Green Environmental Solutions, and this is the first of many similar projects being advanced by them in Southern China.

- Announced that our technology has been selected by Everbright for a proposed project in Nanjing, China. Everbright is a leading alternative energy organization with WTE projects and assets of approximately US$6 billion. The project is being designed to process 500 tonnes of waste per day, of which a portion will be gasified using the Westinghouse Plasma Technology. The project began engineering in late 2014 and WPC expects construction to begin in the latter half of 2015.
- Advanced business development efforts with Waste2Tricity supporting activities in England and Thailand. Last year, the Corporation granted them an exclusive license in the Thailand market for US$2 million and Waste2Tricity paid $CAN1 million in 2013, and a further milestone payment of $CAN 325,000 in 2014. There is also a project in England which has advanced to a concept design study. Waste2Tricity has a common shareholder with Alter NRG, Ervington, which is a company that has Roman Abramovich as its ultimate beneficial owner.
- Kaidi completed construction of its demonstration facility in China and the Westinghouse Plasma Solution was commissioned in 2012. The facility processes 100 tonnes per day of biomass waste

and converts it into liquid fuels. Recently, Kaidi announced that it had purchased the Rentech liquids conversion technology to convert the syngas into liquid fuels which is a promising step forward for the demonstration project. Alter NRG is currently advancing technology licensing, engineering support and equipment purchase agreements with Kaidi.

- Supported business development efforts for a project in Barbados which is expected to take approximately 600 tonnes per day of the island's waste and convert it to electricity. Cahill Energy signed an agreement with the Government of Barbados on March 15, 2014 to build and operate a leading edge clean energy plant on the Caribbean island. Established to finance, build, own and operate utility-scale WTE plants in key markets, Cahill Energy plans to utilize the Westinghouse Plasma Technology to transform all kinds of waste on Barbados into clean, renewable energy.

2013 Developments

Alter NRG Corp.

- On May 1, 2013 Brent Conway resigned from the Board.
- On September 13, 2013, the Corporation filed a notice of intention to sell its 10,000,000 shares of SustainCo.
- On November 20, 2013, the Corporation began the execution on a purchase order for its second larger scaled up plasma gasifier for Air Products.
- On December 6, 2013, the Corporation announced the signing of an agreement to sell Waste2Tricity an exclusive license for the Thailand market for an initial term of 5 years for a price of $2 million. Waste2Tricity has paid $1 million, with the remaining $1 million payable in future years.

Westinghouse Plasma

The Westinghouse Plasma business continued to grow during 2013. For the year ended December 31, 2013, WPC achieved sales growth and general and administrative expenses consistent with the prior year as WPC continued its efforts to reduce expenses. Westinghouse Plasma accomplished a number of important strategic milestones in 2013, including the following:

- Completed the execution on the first purchase order for a plasma gasifier for Air Products.
- Delivered four of its Marc 3 Westinghouse Plasma torch systems to GuanChuan for approximately $1 million. GuanChuan is using the torches for their industrial furnace applications related to the steel and iron industry in China.
- Kaidi, who purchased a Westinghouse Plasma gasifier design and plasma torch systems from Alter NRG in 2010, successfully completed the commissioning of the unit at its demonstration facility in Wuhan, China.
- Conducted testing services for the Connecticut Center for Advanced Technology, Inc. for approximately $750,000.
- Began the execution of a US$21 million purchase order from Air Products.

2012 Developments

Alter NRG Corp.

- The Corporation began execution on a purchase order for its larger scaled up plasma gasifier for Air Products.

- The Corporation made management changes and welcomed Walter Howard as the new Chief Executive Officer to shift from focusing on technology development to more aggressive sales and marketing of the Westinghouse Plasma Gasification Solution. With the introduction of Walter Howard as the Chief Executive Officer in the first quarter of 2012, the Corporation focused on creating a structure for its investment options in current projects to provide a more formal funding structure for its following investment options.
- The Corporation sold its wholly-owned subsidiary, CleanEnergy on July 26, 2012 for consideration of $5 million of common shares of Bellair.
- Announced the addition of a strategic shareholder, Ervington, the beneficial owner of which is Roman Abramovich. Ervington has complementary investments in the WTE space. Ervington purchased 34.2 million Common Shares at a price of $0.325 per Common Share for a total investment of $11.1 million.

Westinghouse Plasma

For the year ended December 31, 2012, Westinghouse Plasma achieved sales growth and general and administrative expenses continued to decline. The Westinghouse Plasma business accomplished a number of important strategic milestones in 2012, including the following:

- Achieved sales of $13.7 million which was an increase over prior year of 104%. Executed on approximately 61% of a $20 million purchase order from Air Products.

- Kaidi, which ordered engineering and torches previously, completed construction of its demonstration facility in China for which the Westinghouse Plasma Gasification Solution has now been commissioned.

- Signed an agreement to provide $12 million of Westinghouse Plasma torches to GuanChuan. GuanChuan ordered the first four torches for an approximate $1 million order which were delivered in early 2013.

- Advanced project development with PGP Terminal ("PGPT"), which previously purchased site licenses in the Czech Republic and Slovakia for $4.375 million, with 10% being paid up front.

- Finalized scope with SMS Infrastructures (which has already constructed two hazardous waste facilities utilizing Westinghouse Plasma Technology) on two projects. SMS Infrastructures is a licensee of the Westinghouse Plasma Gasification Solution and provides turn-key hazardous waste facilities.

- Supported a hazardous waste demonstration facility in Shanghai, China being constructed by GTS Energy.

DESCRIPTION OF THE BUSINESS

Corporate Strategy

Vision

The Corporation's vision is to provide the leading technology platform for converting waste into clean energy for a healthier planet. The Westinghouse Plasma Gasification Solution and associated technology enables customers to convert waste into clean energy by providing plasma gasification products, services and solutions that are innovative and environmentally friendly. The Corporation markets and sells its technology through a wholly-owned subsidiary, Westinghouse Plasma.

Westinghouse Plasma is the industry leader for the treatment of all types of waste (industrial, household, commercial, hazardous, etc.) using plasma technology and converting it into useable energy such as electricity, syngas (replacement for natural gas, fuel oil or LNG) heat, steam, or liquid fuels such as diesel or ethanol.

Westinghouse Plasma Technology is a commercially proven technology that is used in commercially operating facilities in Japan, India and China that have been converting waste into energy for more than twelve years. Currently there are additional facilities entering construction in China and England, and undergoing commissioning in England; the England facilities are larger scale applications which is of strategic importance as it provides economies of scale that make it a more mainstream solution to replace landfills. Facilities in China and India focus on the destruction of all types of hazardous waste which is a problem that is attracting more stringent regulation and the Corporation provides a significant competitive advantage through our higher temperature solution. From an environmental perspective, a plasma facility will have significantly lower emissions than other alternative WTE facilities and have an overall emissions profile lower than a natural gas combined cycle power facility, which is considered the cleanest fossil fuel production. From an economic perspective WTE projects generally have strong project returns in populous areas, as the projects receive revenues from Tipping Fees to take the waste and then also receive revenues from the sale of energy.

Plasma gasification facilities are large-scale energy projects. The whole facility cost is generally $50 million to $500 million. The sales cycle for a project is generally three to seven years. In the initial project development stages, the Corporation receives engineering fees and site license fees, which are generally $1.5 million to $6 million per project. After the project receives regulatory approvals and has project financing, customers order the plasma gasifier equipment which generally would be $10 million to $50 million depending on facility size. In the Asian market, revenues are generated through licensing fees, engineering fees and plasma torch sales, which on these smaller scale projects are expected to be $2 million to $5 million per project depending on the Corporation's eventual scope of supply. The Corporation has also signed joint marketing agreements for turn-key hazardous waste solutions where it will market complete hazardous waste solutions based on a reference facility that has recently been commissioned in Shanghai, China.

Summary

As at December 31, 2014, Alter NRG is focused on plasma technology sales and services. Plasma technology sales and services include revenues earned from licensing, engineering, design, testing and equipment sales based on the Westinghouse Plasma Technology. Engineering and design services are provided by Alter NRG. Torch sales and testing revenues are generated through Alter NRG's U.S.-based wholly-owned subsidiary, WPC. Revenues for 2014 were $24.3 million, which was comprised of 86% equipment sales, 4% engineering and testing services, 2% licensing fees, and 8% of parts and other ($14.4 million for 2013, which was comprised of 80% equipment sales, 10% engineering and testing services, 7% licensing fees, and 3% parts and other).

As the core technology provider of proprietary technology, Alter NRG is often able to negotiate an option to co-invest in the projects themselves, as well as the ability to participate in late development stage opportunities by bringing financial expertise and relationships with engineering companies. In most cases, the projects have strong project economics and are operated by well-respected companies. The Corporation intends to re-invest the cashflow from technology sales, negotiate carried interests, and/or find third party investment into projects with a high rate of return and that are operated by qualified companies to generate recurring revenues.

Since the Corporation purchased Westinghouse Plasma it has increased its number of customers. Key customers advancing commercial projects include Air Products, GreenWorld Energy Solutions, GTS Energy, Kaidi, , SMS Infrastructures, Everbright and which are all companies that the Corporation believes have the ability to execute. Other projects are being advanced by companies, most of which focus exclusively on developing facilities using the Westinghouse Plasma Technology.

Plasma Technology Sales and Service

Industry Overview - The Gasification Process

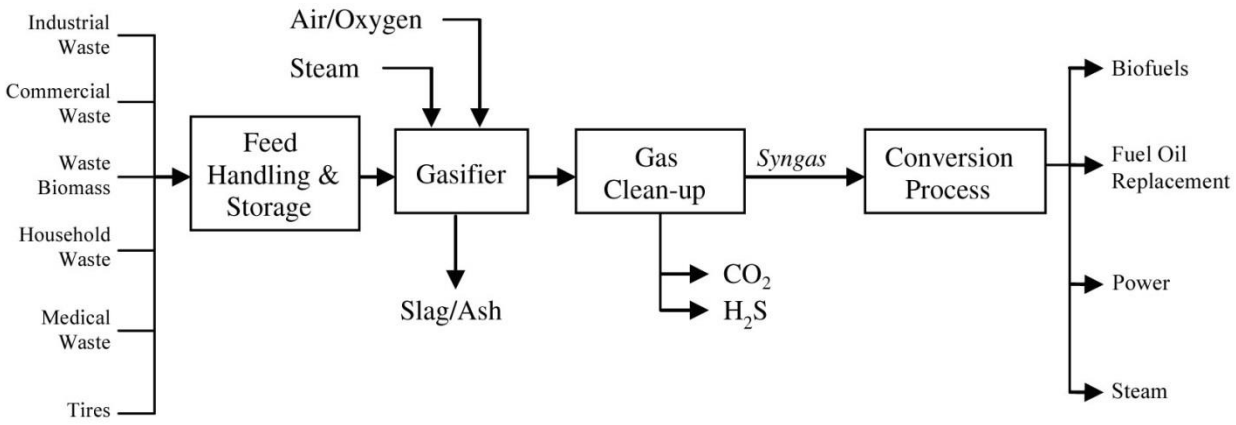
The Corporation's technology assists in resolving two major challenges facing the world today: responsibly disposing of waste materials and providing clean sources of energy. The Corporation is the sole shareholder of WPC, which developed and holds the patents related to the Westinghouse Plasma Gasification Solution. Plasma gasification takes renewable feedstocks such as household, commercial or industrial waste, biomass or combinations of feedstocks and, through the application of intense heat, efficiently converts these feedstocks into a syngas that has many direct applications, such as producing steam and power. The Corporation can also apply its existing technology to convert syngas into other forms of energy such as hydrogen, electricity or ethanol.

Gasification creates value by taking low-cost, abundant feedstocks and converting them into high-value energy. It facilitates the removal of harmful contaminants, making this an environmentally responsible process that produces clean energy. An escalating commodity price environment, combined with increasing environmental awareness, has created a rapid-growth industry.

The Westinghouse Plasma Gasification Solution introduces the use of plasma to generate the extremely high temperatures used in this process. The Corporation's proprietary technology is based on 40 years of research and development as a division of WEC, and has proven to be both robust and reliable in commercial operation. The Corporation's plasma torches, which have been in commercial use since 1989, have accumulated over 500,000 hours of industrial use, being used in metals recycling, waste destruction, ash vitrification as well as plasma gasification.

The Alter NRG/Westinghouse Plasma Technology has been in commercial operation in the waste sector in Japan since 2002 when Hitachi Metals' Mihama-Mikata plant came on stream, gasifying 20 tonnes per day of MSW and four tonnes per day of sewage sludge. The syngas from the gasification process at Mihama-Mikata is burned to create heat to dewater the sewage sludge. In 2003, Hitachi Metals' second WTE plant in Utashinai, Japan – locally known as the Eco-Valley facility – commenced operations. This facility was designed to gasify auto shredder residue and/or MSW and has a throughput capacity of up to 280 tonnes per day (of MSW) resulting in the production of electricity. Currently there is one operational facility in India, commissioned in 2009 which uses the technology provided by Westinghouse Plasma Gasification Solution.

Major Building Blocks of Gasification Processes



Feedstock Handling and Storage

Feedstock handling can be a very important and expensive facet of the gasification process as most gasifiers can only take feedstock in a certain form and significant pre-treatment is required. Feedstock requires storage to ensure that periods of reduction in feedstock transport do not affect the flow to the gasifier. The feedstock must then be prepared and transported to the gasifier in a form that it can handle. The Westinghouse Plasma Gasification Solution requires minimal pre-treatment and handling.

Gasifier

The heart of a gasification-based system is the gasifier. Gasification technologies differ in many aspects but share certain general production characteristics. The feedstock reacts in the gasifier with steam and oxygen at high temperature (and often pressure) in an oxygen-starved atmosphere to produce a syngas and slag or ash. Syngas is primarily hydrogen, carbon monoxide and other gaseous constituents, the proportions of which can vary depending upon the conditions in the gasifier and the type of feedstock. This syngas often contains tars and longer chain hydrocarbons which can cause significant operational problems.

Minerals in the feedstock (that is, the rocks, dirt and other impurities which do not gasify) separate and leave the bottom of the gasifier either as an inert glass-like slag or ash. The gasification technology determines whether slag or ash is produced. While slag is environmentally benign, ash is typically leachable and may require further processing before it can be disposed. Slag, which resembles glass, is a marketable material with a variety of uses in the construction and building industries. With some combinations of feedstocks and gasifier technologies, valuable metals can be recovered as part of the slag or ash. The Alter NRG/WPC gasifier produces a quality syngas with little tar, while converting the non-organic constituents to an environmentally benign slag.

Gas Clean-up

Sulphur impurities in the feedstock form H_2S and COS inside the gasifier, which can be easily removed from the syngas stream using commercially available technology.

CO_2, which is formed in the gasifier, is in a concentrated stream, making it easier and a lower cost option than traditional CO_2 removal from blue gas streams; it can be captured if desired.

Other impurities such as mercury can be readily captured using conventional technologies.

Conversion Process

Syngas can also be used to create a variety of outputs, including steam, electric power, liquid fuels, hydrogen and chemicals.

Steam and Power

Syngas can be combusted to create steam for use in industrial processes or other processes that require steam. Alternatively, syngas can fuel a reciprocal engine (much like natural gas is burned in an engine) and converted to electricity using a generator.

Currently, gasification-based systems can operate up to 45% efficiency for the generation of power. By contrast, a conventional coal based boiler plant employs only a steam turbine generator and is typically limited to 30% to 35% efficiency. Higher efficiency means that less fuel is used to generate the rated power, resulting in better economics and the formation of fewer greenhouse gases (for example, a 50% efficient gasification power plant can cut the formation of CO_2 by 20% to 30% compared to a typical coal combustion plant). In addition, the CO_2 from an oxygen blown gasifier is relatively easy to capture as compared to a conventional coal combustion power plant.

Fischer-Tropsch Liquids

Syngas can be processed through a Fischer-Tropsch synthesis reactor to produce liquids such as sulphur free diesel, gasoline, jet fuel, kerosene and naphtha.

Hydrogen

Hydrogen in the syngas stream can be isolated and then used as a feedstock for refineries and upgraders to upgrade petroleum products. It can also be used in any other industrial process that requires hydrogen.

Other Liquids and Chemicals

Syngas can provide the basic building blocks for a broad range of chemicals, such as fertilizer and plastics, using processes that are well established in today's chemical industry.

Environmental Benefits of Gasification

The significant environmental benefits of gasification stem from the capability to produce extremely low SO_x, NO_x and particulate emissions. Sulfur in coal and petcoke, for example, emerges from the gasification process as H_2S and carbonyl sulphide, and can be captured by processes presently used in the chemical industry.

Gasification offers a further environmental advantage in addressing concerns over the atmospheric build-up of greenhouse gases such as CO_2. Using gasification, CO_2 can be captured easily and at a low cost for use in various projects. By contrast, when coal or petcoke burns or is reacted in air, the resulting CO_2 is in much more dilute concentrations and is more difficult to separate than gasification processes. (Source: U.S. Department of Energy, "Gasification Technology R&D", accessed February 2007)

Target Markets

Westinghouse Plasma sells technology worldwide and currently has been selected or recommended as the core technology for projects in North America, South America, the European Union, the Middle East and Asia Pacific. Many of these projects are being developed by Fortune 500 and other credible companies such as Air Products, Kaidi, SMS Infrastructures, Everbright, GreenWorld Energy Solutions, GTS Energy, and others.

The sale of Alter NRG's large-scale gasifier to Air Products has accelerated the pace of adoption and the Corporation is currently negotiating sales agreements with large, well respected companies around the world with the intention to continue to add to its customer base. The remaining projects are being developed by smaller entrepreneurial companies, the majority of which focus exclusively on building plasma gasification facilities using the Westinghouse Plasma Technology. Westinghouse Plasma intends to support the developers that have the most advanced projects and the capability to execute on their projects.

See "Risk Factors".

Production and Services

Plasma gasification facilities are large-scale energy projects. The whole facility generally costs between $50 million to $500 million. The sales cycle for a project is generally three to seven years. In the initial project development stages, the Corporation receives engineering fees and site license fees, which are generally $1.5 million to $6 million per project. After the project receives regulatory approvals and has project financing, customers order the plasma gasifier equipment which generally would be $10 million to $50 million depending on facility size. In the Asian market, revenues are generated through licensing fees, engineering fees and plasma torch sales, which on these smaller scale projects are expected to be $2 million to $5 million per project depending on the Corporation's eventual scope of supply. The Corporation has also signed joint marketing agreements for turn-key hazardous waste solutions where it will market complete hazardous waste solutions based on a reference facility that has recently been commissioned in Shanghai, China.

See "Risk Factors".

Specialized Skill and Knowledge

Successfully designing, building and operating cost effective and scalable plasma gasification facilities is a key component of the Corporation's strategy. Management believes that it has the ability to design and implement such facilities through the establishment of strong relationships with established fabricators, engineering firms and through its experienced staff and contractors. Management believes the staff and contractors of Alter NRG have adequate engineering, construction and operational experience and knowledge required to enable them to implement the Corporation's strategy.

Competitive Conditions

The market demand for gasification projects is tied to the commodity prices of the outputs of a gasification facility which can be oil (that is, diesel, naphtha, etc.), syngas (replacing natural gas), power or other energy outputs and to the price at which waste is accepted (Tipping Fees) by waste processing plants. In addition, Tipping Fees are increasing, often significantly, in many geographies around the world as landfill, which is the low-cost solution and price setting solution, is being increasingly phased out or taxed. However, a decline in natural gas prices, if prolonged, would be expected to hinder the growth of the gasification market as a whole.

The plasma gasification industry has emerged as a viable method to treat more heterogeneous feedstocks like waste, biomass and lower grade coal (or mixtures of the feedstocks) as opposed to the higher grade coals and petcokes that are the current primary feedstocks. Plasma gasification uses higher temperature and generally operates at atmospheric pressure which has the ability to handle the heterogeneous feedstock and also to reduce capital and operating costs due to less treatment of the feedstock. The Alter NRG/Westinghouse Plasma Technology was used in two commercial facilities that operated in Japan; the first facility was built in Mihama-Mikata in 2002 and processed 24 tonnes per day of sewage sludge and household waste into steam; the second facility was built in Utashinai in 2003 and processed up to 280 tonnes of household waste or 180 tonnes per day of auto shredder residue and household waste into electricity. Both facilities have reported a high degree of reliability from the gasifier. The plasma systems, which provide the heat source for the gasification facilities, have been in commercial operation since 1989 and have over 500,000 hours of commercial operating history. Management believes the commercial application of the Alter NRG/Westinghouse Plasma Technology in the waste and other industries provides a competitive advantage in which to gain market share in this emerging industry. The industry has high barriers to entry as the understanding of the plasma systems is complex, and there is a shortage of experienced gasification personnel worldwide due to the significant growth.

The Westinghouse Plasma Gasification Solution creates syngas which is an energy rich gas that can be used in conventional turbines such as GE's fleet of gas turbines. Alter NRG has been working with GE and other customers, and GE has concluded that "GE simulated performance of a 6B.03, 7E.03, 7F.04 and a

9F.03 operating on a fuel blend composed of natural gas and syngas generated from a Westinghouse Plasma gasification system. In all cases the Westinghouse syngas was found suitable for the GE turbines in either a blend or full load scenario.

Alter NRG has technology sales and project development opportunities. Technology sales compete against other plasma gasification and conventional technology competitors. The majority of the plasma gasification competitors have not yet had commercial operations and are still testing their technologies or developing their first demonstration facilities. Management believes the commercial operating history of the WPC plasma system provides a competitive advantage and has led to technology sale and project development opportunities. Technology sales also compete against other gasification companies and competitors including large multi-national companies which have commercially proven conventional gasification technologies in larger scale coal and petcoke projects. Management believes the large scale 1000 tonne per day gasifier under construction will lead to a competitive advantage due to better economies of scale compared to smaller facilities. The outputs from the gasification facilities are energy commodity products like oil or oil equivalents, syngas which replaces natural gas, power, etc. which compete in the relevant commodity markets.

New Products

The evolution of the Corporation's commercially proven torch systems continues with the introduction of an innovative, new torch design – the Marc 4.5. This system has the potential to provide up to 40% greater overall torch efficiency when operated with the 1,000 tonne per day Westinghouse G65 Plasma Gasifier. Additionally its ease of handling, and lower operating costs provide better economics and environmental performance for Alter NRG's customers.

Components

The Corporation competes with other energy developers and suppliers of conventional waste treatment processes, such as incinerators, for the same raw materials, component parts, procurement, fabrication, engineering, environmental and construction services. The Corporation feels there is adequate availability of raw materials, component parts, engineering, environmental and construction services to meet current levels of global demand.

Intangible Assets

Intangible assets related to the plasma gasification segment are comprised of the technology acquired from WPC on April 17, 2007, including the technological processes, patents, licenses, designs and engineering expertise. The technology represents a core technology that supports Alter NRG's project development and provides additional project opportunities. The Corporation has expanded the product offering to include the gasifier itself and related components and has several additional patents which have been filed related to this activity.

Cycles

The plasma gasification business is not seasonal or cyclical. The development timeframe for a plasma gasification project ranges from three to seven years. The Corporation has customers in all stages of the development cycle.

Economic Dependence & Customer Contracts

The nature of the plasma gasification business is to have few customers with high dollar values per sale. The plasma gasification segment uses strategic alliances, which means it has partnerships with companies that are advancing multiple plasma gasification projects. Key examples are Air Products, Kaidi, SMS Infrastructures, and GTS Energy, which operate under a broader contractual agreement. Loss of these strategic alliances would have a material negative impact on the Corporation's sales pipeline. The Corporation does not reasonably expect significant changes to these contracts.

Environmental Protection

Management does not believe there are any environmental protection requirements that will significantly affect the plasma gasification segment financially or operationally for the current fiscal year. The potential requirements and impact on future financial or operational requirements are too uncertain to determine at this point.

Employees

At December 31, 2014, WPC and Alter NRG staff included 33 full time employees (2013 – 32).

RISK FACTORS

The Corporation is subject to the following risk factors relating to the Corporation and its business:

Operational Risk

The Corporation's business has grown in recent years with ongoing growth planned into the future. Accordingly, the Corporation's future operating results will depend on its people, processes and technology in order to achieve product scalability and continued growth. There can be no assurance that the Corporation will be able to manage recent or any future expansion successfully and any inability to do so could have a material adverse effect on the Corporation's business, results of operations and financial condition.

Revenue Risk

The Corporation 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 Corporation or its customers including, but not limited to the following:

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

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

Business and Project Risk

The Corporation is currently in the early stage of development and there is a risk that the Corporation's anticipated milestones and/or projects, including those described under "General Development of the Business of the Corporation – Overview" will not be achieved or completed on time, on budget or at all. The Corporation will also be subject to a variety of risks, including delays, increased construction or operational costs and interruption of operations due to many factors including, but not limited to the following:

- inability to raise or otherwise obtain necessary funds to participate in projects;
- finding suitable project partners and resources to devote to the projects;
- challenges and issues related to the Corporation's and WPC's proprietary technology;
- delays in obtaining regulatory approvals or conditions imposed by regulatory bodies;
- breakdown or failure of equipment or processes;
- construction performance falling below expected levels of output or efficiency;
- design errors;
- contractor or operator error;
- labour disputes, disruptions or declines in productivity;
- non-performance by third-party contractors;

- inability to attract a sufficient number of qualified workers;
- increases in material or labour costs;
- changes in the scope of the Corporation's business;
- violation of patents;
- disruption in the supply of energy;
- major incidents or catastrophic events such as fires, earthquakes, storms or explosions; and
- changes in foreign currency for U.S. operations.

Reliance on Management and Key Personnel

The Corporation's success and future operations are dependent upon the abilities, expertise, experience, judgment and efforts of senior management and key technical and field personnel of the Corporation and its subsidiaries. Any loss of the services of these personnel could have a materially adverse impact on the Corporation's business, technical capabilities, operating results or financial condition or could result in delays to or abandonment of the Corporation's projects and ultimately the shareholders' investments could be negatively affected.

Financial Risk

In order to execute its business plan, the Corporation may require a combination of additional debt and equity financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Corporation when needed or on terms acceptable to the Corporation. The Corporation's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit the Corporation's growth and may have a material adverse effect upon the Corporation.

Sales Cycle and Fixed Price Contracts

The Corporation's plasma sales cycle is long and the implementation thereof may be long and subject to delays, over which the Corporation has little control. The Corporation also enters into sales contracts with fixed pricing, which may be impacted by changes over the period of implementation. The success of sales execution requires collaboration between the Corporation and its customers. There is no assurance that delays or problems in the implementation process used for all customers will not adversely affect the Corporation's activities, operating results or financial position.

Sensitivity to Fixed Costs

Fixed costs, including costs associated with operating expenses, leases, labour costs and depreciation will account for a significant portion of the Corporation's costs and expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather or other factors could significantly affect financial results.

Commodity Price Volatility

The Corporation is subject to the fluctuations in oil, natural gas and other commodity prices, such as steel. The gasification industry has an inherently high capital cost due to large construction projects. Nevertheless, changes in commodity prices could result in a decision by the Corporation to suspend or reduce operations because such operations are no longer economically viable. Any such suspension or reduction of operations would result in a corresponding decrease in the Corporation's revenues and earnings could materially impact the Corporation's ability to meet customer demands and could expose the Corporation to additional expense as a result of any future long-term contracts.

Global Economic Conditions

The Corporation and its subsidiaries, along with their industry peers, may have restricted access to capital and increased borrowing costs as a result of prevailing global economic conditions. The lending capacity of

financial institutions may diminish and risk premiums may increase. As the ability of the Corporation and its subsidiaries to meet future capital requirements may depend upon their ability to borrow money from third parties or make additional offerings of Common Shares in the future, the ability of the Corporation and its subsidiaries to do so may be limited by, among other factors, the overall state of capital markets and investor demand for investments in the plasma gasification industry and the Corporation's securities in particular.

To the extent that external sources of capital become limited or unavailable or available on onerous or otherwise unacceptable terms, the ability of the Corporation and its subsidiaries to make capital investments and maintain existing assets may be impaired, and their assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result. Failure to obtain any financing necessary for the capital expenditure plans of the Corporation and its subsidiaries may result in a delay of the ability of the Corporation and its subsidiaries to carry out their business strategy and may have a material adverse effect on the Corporation and/or its subsidiaries.

Economic conditions and other factors may also reduce the demand for plasma gasification from that forecasted and factors expected to support or increase demand may not have the effect expected. Any reduction in demand may have a material adverse effect on the financial results or condition of the Corporation and its subsidiaries.

Foreign Currency Rate Risk

Alter NRG's operations in the U.S. have revenue, expenses, assets and liabilities denominated in U.S. dollars. As a result the Corporation's consolidated statement of financial position, statements of loss and comprehensive loss, and statement of cash flow are impacted by changes in exchange rates between Canadian and U.S. currencies. The U.S. dollar based earnings are also converted into Canadian dollars for purposes of consolidated financial reporting. This conversion does not result in foreign exchange gains or losses but does result in lower or higher net earnings from U.S. operations than would have occurred had the exchange rate not changed. If the strength of the Canadian dollar improves against the U.S. dollar, the Canadian dollar equivalent of net earnings from U.S. operations will be negatively impacted. The Corporation does not currently hedge any of its exposure related to the conversion of U.S. based earnings into Canadian dollars.

The majority of Alter NRG's U.S. operations are transacted in U.S. dollars. Transactions for Alter NRG's Canadian operations are primarily transacted in Canadian dollars. However, the Corporation does earn revenue and occasionally purchases goods and supplies in U.S. dollars. These transactions and foreign exchange exposure could have a material impact on the Canadian operation's financial results.

Competition

The gasification industry is competitive and the Corporation competes with a substantial number of companies that 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 Corporation or that new or existing competitors will not enter the various markets in which the Corporation is active. In certain aspects of its business, the Corporation also competes with a number of small and medium-sized companies, which, like the Corporation, have certain competitive advantages such as low overhead costs and specialized regional strengths.

There can be no assurance that the Corporation's competitors will not develop new and unknown technologies, with which the Corporation may have difficulty competing. As well, without remaining cost competitive there is also a risk that the Corporation may lose business to its competitors.

Reliance on Technology

The Corporation will depend upon continuous improvements in technology to meet customer demands in respect of performance and cost and to explore additional business opportunities. There can be no assurance that the Corporation will be successful in its efforts in this regard or that it will have the resources

available to meet this demand. While the Corporation anticipates that the research and development experience of WPC will allow the Corporation to explore additional business opportunities, there is no guarantee that such business opportunities will be presented or realized.

The commercial advantage of the Corporation will depend to a significant extent on the intellectual property and proprietary technology of the Corporation and WPC and the ability of the Corporation and WPC to prevent others from copying such proprietary technologies. The Corporation and WPC currently rely 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. The Corporation and WPC may have to engage in litigation in order to protect their 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 or not the Corporation or WPC is successful.

The Corporation and WPC may seek patents or other similar protections in respect of particular technology; however, there can be no assurance that any future patent applications will actually 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 Corporation or WPC. 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 the technology of the Corporation and WPC or design around the patents owned by the Corporation or WPC, thereby adversely affecting the Corporation's competitive advantage in one or more of its businesses.

Despite the efforts of the Corporation or WPC, the intellectual property rights of WPC may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps the Corporation or WPC may take to protect its intellectual property rights and other rights to such proprietary technologies that are central to the Corporation's operations will prevent misappropriation or infringement of the Alter NRG/Westinghouse Plasma Technology.

Dependence on Suppliers

The ability of the Corporation to compete and grow will be dependent on the Corporation having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. Failure of suppliers to deliver such skilled labour, equipment, parts and components at a reasonable cost and in a timely manner would be detrimental to the Corporation's ability to compete and grow. No assurances can be given that the Corporation will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment acquired by the Corporation's capital expenditure program may be greater than anticipated by Management and other funds available to the Corporation, in which case the Corporation may curtail or extend the timeframes for completing its capital expenditure plans. This could have an adverse effect on the financial results of the Corporation.

The Corporation's ability to compete and grow is also dependent upon the availability of feedstocks at reasonable prices. If the suppliers are unable to provide the necessary feedstocks, or otherwise fail to deliver products in the quantities required, any resulting delays could have a material adverse effect on the Corporation's results of operations and the Corporation's financial condition.

Reliance on Contracting Parties

The Corporation maintains strategic arrangements and sales relationships with various parties (for example, consultants, suppliers, strategic partners and management, among others). The Corporation's ability to fulfill its obligations as well as the ability and likelihood of the other parties to fulfill their obligations can have a material impact on the future success of the Corporation and future financial results. The Corporation relies on the technical ability, financial capacity and creditworthiness of these contracting parties, over which the Corporation has no control and for which the Corporation can provide no assurances.

Prices for End Products

The prices the Corporation will receive for its end products are dependent on the demand for them. While there is a proven market for gasification products, there can be no assurance that the pricing of these products will be at levels anticipated by the Corporation. All such estimates for the pricing of the Corporation's end products are, to some degree, uncertain. For this reason, estimates of future net revenues prepared by the Corporation compared to actual net revenues may vary substantially.

Risk of Third-Party Claims for Infringement

A third party may claim that the use of the Alter NRG/Westinghouse Plasma Technology has infringed such third party's rights or may challenge the right of the Corporation or WPC to its intellectual property. In such event, WPC and/or the Corporation will undertake a review to determine what, if any, action should be taken with respect to such claim. Any claim, whether or not with merit, could be time consuming to evaluate, result in costly litigation and have material adverse effects on the business, operations and financial condition of the Corporation. Such a claim could result in WPC or the Corporation having to enter into licensing arrangements that may require the payment of a license fee or royalties to the owner of the intellectual property. Such royalty or licensing arrangements, if required, may not be available on terms acceptable to the Corporation.

Regulatory and Political

The Corporation's operations are subject to a variety of Canadian and United States federal, provincial, state and local laws, regulations and guidelines, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment and the manufacture, management, transportation, storage and disposal of certain materials used in the Corporation's operations. Management believes that the Corporation is in compliance with such laws, regulations and guidelines; however, changes to such laws, regulations and guidelines due to environmental changes, unforeseen environmental effects, general economic conditions and other matters beyond the control of the Corporation may cause adverse effects to the Corporation's operations. The Corporation has invested financial and managerial resources to ensure compliance with applicable laws, regulations and guidelines and will continue to do so in the future. Although such expenditures have not, historically, been material to the Corporation, such laws, regulations and guidelines are subject to change. Accordingly, it is impossible for the Corporation to predict the cost or impact of such laws, regulations or guidelines on its future operations. It is not expected that any changes to these laws, regulations or guidelines would affect the operations of the Corporation in a manner materially different than they would affect other gasification companies of a similar size.

Environmental Liability

The Corporation is subject to various environmental laws and regulations enacted in the jurisdictions in which it operates that govern the manufacture, processing, importation, transportation, handling and disposal of certain materials used in the Corporation's operations. The Corporation is in the process of establishing procedures to address compliance with current environmental laws and regulations and monitors its practices concerning the handling of environmentally hazardous materials; however, there can be no assurance that the Corporation's procedures will prevent environmental damage occurring from spills of materials handled by the Corporation or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. The Corporation may have the benefit of insurance maintained by it or the operator; however, the Corporation 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 Corporation's customers 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 Corporation cannot predict the nature of the restrictions that may be imposed. The Corporation may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

Operating Risk and Insurance

The Corporation has an insurance and risk management program in place to protect its assets, operations and employees in advance of operations. The Corporation also has programs in place to address compliance with current safety and regulatory standards; however, the Corporation's operations are subject to risks inherent in the gasification industry, such as equipment defects, malfunction, failures and natural disasters. These risks and hazards could expose the Corporation to substantial liability for personal injury, loss of life, business interruption, property damage or destruction, pollution and other environmental damages.

While the Corporation believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Corporation is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Conflicts of Interest

Certain of the directors and officers of the Corporation are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies, as applicable under the ABCA.

Litigation

Although there are currently no material legal proceedings outstanding or threatened against the Corporation of which the Corporation is aware, the Corporation may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. The Corporation intends to seek insurance coverage as deemed appropriate by Management. There can be no assurance that such insurance would be available to the Corporation on terms acceptable to Management or in an amount sufficient to cover claims.

Trading Volatility of Common Shares

The Corporation cannot predict at what price the Common Shares will trade and there can be no assurance that an active trading market for the Common Shares will be sustained. The market prices of the Common Shares may be subject to significant fluctuations in response to variations in financial results, general trends in the industry and other factors, including extreme price and volume fluctuations which have been experienced by the securities markets from time to time.

Dilution and Future Sales of Common Shares

The Corporation may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. Shareholders will have no pre-emptive rights in connection with any such further issuances. The Board of Directors has the discretion to determine the provisions attaching to any series of preferred shares and the price and the terms of issue of further issuances of Common Shares.

DIVIDEND POLICY

The Corporation has not paid any dividends on its Common Shares. The Corporation does not currently have a policy with respect to the payment of dividends. Any future payments of dividends will be at the

discretion of the Board of Directors and will depend upon the financial condition, capital requirements and earnings of the Corporation as well as other factors it may deem relevant. The Corporation's articles do not contain any restrictions on the payments of dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series. The following is a summary of the rights, privileges, restrictions and conditions attaching to the securities of the Corporation.

Common Shares

The holders of Common Shares are entitled to receive notice of, and to attend and vote at, every meeting of the shareholders (except where the holders of a specified class are entitled to vote separately as a class, as provided for in the ABCA), and each Common Share confers the right to one vote in person or by proxy thereat.

Subject to the rights of the holders of any other classes of shares of the Corporation that have or may have preference or priority over the Common Shares in respect of the payment of dividends, the holders of Common Shares are entitled to such dividends as the Board of Directors, in their sole discretion, may determine from time to time. The shares of the Corporation do not rank equally in respect of dividends; and, in particular, subject to the rights of any series of preferred shares, the Board of Directors may declare dividends on one or more of the Common Shares and the preferred shares without declaring dividends on any or all of the other classes or may declare dividends on any or all of the Common Shares and the preferred shares in differing amounts, and/or at different times.

In the event of the liquidation, dissolution, bankruptcy or winding-up of the Corporation or other distribution of assets or property of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall, subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Corporation, be entitled to receive the remaining property of the Corporation.

Preferred Shares

The preferred shares may at any time, or from time to time, be issued in one or more series, each series to consist of such number of preferred shares as may, before the issue thereof, be determined by resolution of the Board of Directors.

The Board of Directors shall, by resolution, fix from time to time before the issue thereof, the designation, price, restrictions, conditions and limitations attached to the preferred shares of each series including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the redemption or purchase prices and terms and conditions of redemption or purchase, and voting rights, any conversion rights and any sinking funds or other provision.

The preferred shares of each series shall rank, both as regards dividends and return of capital, in priority to all other shares of the Corporation. The preferred shares of any series may also be given such other preferences over the Common Shares, and over any other shares of the Corporation ranking junior to the preferred shares, as may be fixed by the Board of Directors, provided, however, that no rights, privileges, restrictions or conditions attached to a series of shares shall confer on a series a priority in respect of voting, dividends or return of capital over any other series of shares of the same class that are then outstanding.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX. The trading symbol for the Common Shares is "NRG". The following table sets forth certain trading information in respect of the Common Shares for the most recently completed financial year.

Month (2014)	Price Ranges ($)	Trading Volume
January	**0.70 – 0.93**	**3,245,356**
February	**0.77 – 1.24**	**9,319,548**
March	**0.93 – 1.15**	**5,004,452**
April	**0.72 – 1.05**	**4,044,598**
May	**0.67 – 0.87**	**1,969,744**
June	**0.68 – 3.43**	**2,621,791**
July	**2.44 – 3.50**	**413,593**
August	**2.51 – 2.78**	**456,762**
September	**2.15 – 2.80**	**634,616**
October	**2.03 – 2.59**	**508,334**
November	**2.18 – 3.15**	**456,891**
December	**2.23 – 2.96**	**973,354**

Note:

(1) On June 26, 2014 the Corporation announced the completion of the Share Consolidation.

DIRECTORS AND OFFICERS

Directors of the Corporation

The directors of the Corporation are elected by the shareholders at each annual meeting of the Corporation. All directors serve until the next annual meeting or until a successor is elected or appointed. The following table sets forth each director's name, place of residence, position held with the Corporation, principal occupation for the past five years and date of election or appointment as a director as of the date of this Annual Information Form.

Name and Municipality of Residence	Position with the Corporation	Principal Occupation During Past Five Years	Director Since
KEVIN M. BOLIN [(2)(3)(5)(6)] Atlanta, Georgia, U.S.	Director and Chairman	Director of Alter NRG 2009 to present; from September 2011 through March 2012 he served as the Executive Chairman of the Board of Alter NRG and in March 2012 was appointed Chairman of the Board of Alter NRG. Formerly President and Chief Executive Officer of EnerTech Environmental Inc. or its predecessor, a renewable energy company in Atlanta, Georgia, dedicated to the protection of public health and the environment since 1992.	November 19, 2009

Name and Municipality of Residence	Position with the Corporation	Principal Occupation During Past Five Years	Director Since
NANCY M. LAIRD [2][3][4][6] Calgary, Alberta, Canada	Lead Director	Corporate Director with more than 20 years of experience in the oil and gas and technology sectors. Director of Alter NRG or its predecessors since May of 2006. Currently serves on the board of directors of Keyera Corp., Synodon Inc., FilterBoxx Corp. and Water & Environmental, (a privately held corporation). Previously a corporate director for Enerflex Systems Income Fund, Enerflex Ltd., Acclaim Energy Trust, Canetic Resources Trust, Canadian Oils Sands Trust and Alliance Pipeline Inc.	February 20, 2007
MARK A. MONTEMURRO[4] Calgary, Alberta, Canada	Director	Vice President of Thermal at Baytex Energy Corp. from November 18, 2013 to present. Senior Vice President, Engineering & Geosciences at Sunshine Oilsands from April 2013 to October 2013. Vice President In Situ & Innovations at Laricina Energy Ltd., from May 2012 to April 2013; prior thereto Chief Executive Officer of Alter NRG from November 7, 2010 to January 2, 2012 at which time he resigned from his position of Chief Executive Officer; prior thereto President and Chief Executive Officer of Alter NRG or its predecessor since November 7, 2005 and Director of Alter NRG since August 27, 2007.	August 27, 2007
EUGENE A. TENENBAUM Weybridge England, UK	Director	Managing Director of MHC (Services) Ltd. from July 2, 2003 to present.	January 31, 2013
PAUL N. HEAGREN[1][5][6] Surrey, Southeast England, UK	Director	Financial Director at MHC (Services) Ltd. from January 2002 to present	January 31, 2013
WAYNE D.SIM[3][5] Calgary, Alberta, Canada	Director	Co-founded 3ESI Inc. in 2005 and serves as its Chief Executive Officer and President.	January 9, 2014
SCOTT W. WHITNEY[4][5] Pine Brook, New Jersey, U.S.	Director	Chief Executive Officer of Greenwood Renewable Fuels, a Libra Group Corporation since 2012; prior thereto, President of Covanta – European Division from 2007 to 2011.	May 12,2014

Name and Municipality of Residence	Position with the Corporation	Principal Occupation During Past Five Years	Director Since
WALTER Q. HOWARD Fairfield, Connecticut, U.S.	Director and Chief Executive Officer	Chief Executive Officer of Alter NRG since March 7, 2012; prior thereto President and CEO of Ze-Gen, Inc. from 2010 and 2011; prior thereto, President and CEO of Noble Environmental Power, LLC from 2008 to 2010.	March 7, 2012

Notes:
(1) Chair of Audit Committee
(2) Member of the Audit Committee
(3) Member of the Compensation, Governance and Nominating Committee
(4) Member of the Health, Safety and Environment Committee
(5) Member of the Project Review Committee
(6) Member of the Special Committee

Officers of the Corporation

The following table sets forth each officer's name, place of residence, position held with the Corporation, principal occupation for the past five years and date of appointment as an officer of the Corporation as of the date of this Annual Information Form.

Name and Municipality of Residence	Position with the Corporation	Principal Occupation During Past Five Years	Officer Since
WALTER Q. HOWARD Fairfield, Connecticut, US	Chief Executive Officer	Chief Executive Officer of Alter NRG since March 7, 2012; prior thereto President and CEO of Ze-Gen for 2010 and 2011; prior thereto, President and CEO of Noble Environmental Power from 2008 to 2010.	March 7, 2012
DANIEL R. HAY Calgary, Alberta, Canada	Chief Financial Officer	Chief Financial Officer of Alter NRG or its predecessor since May 23, 2006.	February 20, 2007
RICHARD J. FISH Centerville, Ohio, U.S.	President	President of Alter NRG since November 7, 2010; prior thereto Chief Operating Officer of Alter NRG since January 27, 2010; prior thereto, Chief Marketing & Sales Officer of Alter NRG from February 24, 2009 to January 26, 2010; prior thereto an independent consultant from July 2008 to February 2009.	February 24, 2009

Name and Municipality of Residence	Position with the Corporation	Principal Occupation During Past Five Years	Officer Since
KENT O. HICKS Calgary, Alberta, Canada	Chief Technology Officer	Chief Technology Officer since March 18, 2014; prior thereto, Senior Vice President, Engineering, Operations and Construction since, May 17 2012; prior thereto Vice President, Engineering, Operations and Construction of Alter NRG from January 26, 2009 to June 30, 2012; prior thereto General Manager, Integration Project Completions, Leadership Team of Petro Canada's Fort Hills oil sands project from October 2008 to January 2009.	May 17, 2012
TRINA D. MCKAY Calgary, Alberta, Canada	Corporate Controller	Corporate Controller of Alter NRG since April 1, 2010; prior thereto Accounting Manager of Alter NRG from March 2, 2009; prior thereto Manager at Deloitte & Touche LLP from October 2007 to February 2008.	April 1, 2010
SCOTT W. N. CLARKE Calgary, Alberta, Canada	Corporate Secretary	Partner, Blake, Cassels & Graydon LLP.	February 20, 2007

Security Holdings of Directors and Officers

As at the date of this Annual Information Form, the directors and executive officers, as a group, beneficially own, control or direct, directly or indirectly, a total of 401,510 Common Shares, representing approximately 1.42% of the issued and outstanding Common Shares of the Corporation.

Conflicts of Interest

Certain of the directors and officers named above may be directors or officers of issuers which are in competition with the Corporation and as such may encounter conflicts of interests in the administration of their duties with respect to the Corporation. Such conflicts of interest shall be dealt with according to the procedures required under the ABCA. See "Risk Factors - Conflicts of Interest".

AUDIT COMMITTEE

The Audit Committee has been structured to comply with the requirements of National Instrument 52-110 - *Audit Committees (*"**NI 52-110**"). The Board of Directors has determined that the Audit Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position and, in particular, are "independent" and "financially literate" as defined in NI 52-110.

The Audit Committee shall, as permitted by, and in accordance with, the requirements of the ABCA and the Corporation's articles and by-laws and any legal or regulatory authority having jurisdiction, periodically assess the adequacy of procedures for the public disclosure of financial information and review on behalf of

the Board of Directors, and report to the Board of Directors, the results of its review and its recommendation regarding all material matters of a financial reporting and audit nature, including, but not limited to the following main subject areas:

a) financial statements, including management's discussion and analysis thereof;

b) financial information in any annual information form, management proxy circular, prospectus or other offering document, material change report or business acquisition report;

c) reports to shareholders and others;

d) annual and interim press releases regarding financial results or containing earnings guidance;

e) internal controls;

f) audits and reviews of financial statements of the Corporation and its subsidiaries; and

g) filings to securities regulators containing financial information.

The Audit Committee shall ensure satisfactory procedures for receipt, retention and treatment of complaints and for the confidential, anonymous submission by employees regarding any accounting, internal accounting controls or auditing matters. The Board of Directors will be kept informed of the Audit Committee's activities by a report delivered at each regular meeting of the Board of Directors.

The Audit Committee shall recommend the appointment and compensation of the external auditor annually and shall review and evaluate the external auditor. Once appointed by the shareholders, the external auditor shall report directly to the Audit Committee. The Audit Committee shall review and approve the Corporation's hiring policies regarding current and former partners and employees of the external auditor. In addition, the Audit Committee shall pre-approve non-audit services undertaken by the external audit firm.

The Audit Committee shall have direct responsibility for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of disagreements between the external auditor and Management.

The Audit Committee will meet at least once per financial quarter to fulfill its mandate.

The full text of the Audit Committee charter is attached as Schedule "A" hereto.

Composition of the Audit Committee

The Audit Committee members are financially literate and independent. The Audit Committee is currently comprised of Mr. Heagren, who acts as the chair of the Audit Committee, Ms. Laird and Mr. Bolin.

Relevant Education and Experience

The following is a brief summary of the education or experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used to prepare the Corporation's annual and interim financial statements.

Paul N. Heagren – Mr. Heagren has been Financial Controller of MHC since January 2002. Mr. Heagren also serves as Senior Vice President and Finance Director of MHC. He has over 25 years of finance experience in practice and industry. He spent 9 years as UK and European finance director for a large change management consultancy based in Richmond, UK and also worked for Philips before joining MHC. He has been a Non-Executive Director of AFC Energy PLC since January 2013. Mr. Heagren serves as Director of

Alter NRG. He is a Chartered Accountant and holds a Bachelor's Degree in Economics and Accounting from Bristol University.

Nancy M. Laird – Ms. Laird is a corporate director with more than 20 years of experience in the oil and gas and technology sectors. Ms. Laird served as Senior Vice President, Marketing and Midstream for EnCana Corporation and its predecessor, PanCanadian Energy Corporation from 1997 to 2002. Prior to joining PanCanadian, Ms. Laird was President of NrG Information Services Inc., a joint venture initiative involving four of North America's leading natural gas pipeline companies with a mandate to create a seamless flow of natural gas across North America. Previously Ms. Laird held positions with Noreen Energy Inc., North Canadian Marketing Inc., Canpet Marketing Limited and Shell Canada Limited. Ms. Laird is currently a board member for Keyera Corp., Synodon Inc., FilterBoxx Corp., and Water & Environmental Corp. (a privately held corporation). Ms. Laird holds a Bachelor of Arts Degree (Honours) from the University of Western Ontario and earned her MBA from the Schulich School of Business at York University in Toronto and has an ICD.D designation from the Institute of Corporate Directors. From her experience, she has gained an understanding of the elements and application of effective internal controls, as well as a practical understanding of application of general accounting principles and the analysis and evaluation of financial statements.

Kevin Bolin – Mr. Bolin served on the Board of Directors of EnerTech Environmental, Inc., or its predecessor, a private renewable energy company that converts biomass, primarily municipal sewage sludge, into clean fuel. Kevin led the Atlanta-based company since its inception in 1992 and was involved in all aspects of its growth and development, both domestically and internationally. Mr. Bolin graduated from the University of Notre Dame with a BBA in accountancy in 1985 and then joined KPMG Peat Marwick, focusing on energy, services, manufacturing and chemical industries. He is a certified public accountant in the states of New York and Georgia.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a pre-approval policy with respect to permitted non-audit services. Under the policy, the Audit Committee has granted pre-approval services for specified non-audit services of $25,000 or less in a given fiscal year. For non-audit services greater than $25,000, the services must be approved in advance by the Audit Committee after being provided information on the nature, extent and scope of the work to be performed.

External Auditor Service Fees (By Category)

The following table provides information about the fees billed to the Corporation for professional services rendered by Deloitte LLP, during the fiscal years 2014 and 2013:

	2014	2013
Audit Fees[(1)]	$ 149,800	$ 140,000
Audit-Related Fees[(2)]	$ 70,905	$ 70,266
Tax Fees[(3)]	$ 13,696	$ Nil
All Other Fees	$ Nil	$ Nil
Total:	**$ 234,401**	**$ 210,516**

Notes:

(1) Audit fees for professional services rendered by Deloitte LLP, for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
(2) Audit-related fees related to limited procedures performed by the Corporation's auditors related to financings, adoption of IFRS and interim reports.
(3) Tax fee for tax compliance, tax advice and tax planning.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There were no material legal proceedings to which the Corporation or any of its subsidiaries is or was a party to or of which any of their property was the subject during the Corporation's financial year, nor to the knowledge of the Corporation, are any such material legal proceedings contemplated.

No penalties or sanctions have been imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the Corporation's financial year, nor have any other penalties or sanctions been imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, nor has the Corporation entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the Corporation's financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Corporation, nor any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding voting securities, nor any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Corporation is Valiant Trust Company at its principal offices at Suite 300, 606-4th Street S.W., Calgary, Alberta, T2P 1T1.

MATERIAL CONTRACTS

The Corporation entered into a Support Agreement on March 27, 2015, under which Harvest has agreed to offer to acquire, through its wholly-owned subsidiary, 1030629 B.C. Ltd., all of the issued and outstanding common shares of the Corporation (including any Common Shares issuable upon the exercise of outstanding option to acquire Common Shares) for $5.00 in cash per Common Share by way of a Board-approved take-over bid. The total equity purchase price is approximately $147 million.

INTERESTS OF EXPERTS

The Corporation's auditors are Deloitte LLP who prepared an independent auditors' report dated March 17, 2015 in respect of the Corporation's consolidated financial statements with accompanying notes as at and for the year ended December 31, 2014. Deloitte LLP has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Additional information regarding directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable is contained in the Corporation's management information circular dated May 9, 2014, which is incorporated herein by reference. Additional financial information is provided in the Corporation's comparative consolidated financial statements and related management's discussion & analysis for the year ended December 31, 2014, which are incorporated herein by reference.

SCHEDULE A: AUDIT COMMITTEE MANDATE AND TERMS OF REFERENCE

1
ESTABLISHMENT OF COMMITTEE

A. Committee Purpose

The Audit Committee (the "**Committee**") is established by the board of directors (the "**Board of Directors**") of Alter NRG Corp. ("**Alter NRG**") primarily for the purpose of overseeing the accounting and financial reporting processes of Alter NRG and the reviews and audits of the financial statements of Alter NRG.

The Audit Committee shall assist the Board of Directors in fulfilling its oversight responsibilities by monitoring, among other things:

a. the quality and integrity of the financial statements and related disclosure of Alter NRG;

b. compliance by Alter NRG with legal and regulatory requirements that could have a material effect upon the financial position of Alter NRG which are not subject to the oversight of another committee of the Board of Directors;

c. the independent auditor's qualifications and independence; and

d. performance of Alter NRG's internal audit function and independent auditor.

B. Composition of Committee

The Committee shall consist of as many members as the Board of Directors shall determine, but in any event not fewer than three directors of Alter NRG, provided that each member of the Committee shall be determined by the Board of Directors to be:

a. an "unrelated" and "independent" director as defined in, and for the purposes of, any applicable governance guidelines or listing standards of any stock or securities exchange upon which the securities of Alter NRG are, from time to time, listed; and

b. an "independent" and "financially literate" director for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.

C. Appointment of Committee Members

The members of the Committee shall be appointed by the Board of Directors on the recommendation of Alter NRG's Corporate Governance & Nominating Committee (the "CGN Committee"). The members of the Committee shall be appointed at the time of each annual meeting of shareholders and shall hold office until the next annual meeting, until they are removed by the Board of Directors or until their successors are earlier appointed, or until they cease to be directors of Alter NRG.

2 - COMMITTEE PROCEDURE

A. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board of Directors on the recommendation of the Committee and shall be filled by the Board of Directors if the membership of the Committee is fewer than three directors. The Board of Directors may remove and replace any member of the Committee.

B. Committee Chair

The Board of Directors shall appoint a chair (the "**Chair**") for the Committee. The Chair may be removed and replaced by the Board of Directors.

C. Absence of Chair

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

D. Secretary of Committee

The Committee shall appoint a secretary of the Committee who need not be a director of Alter NRG.

E. Regular Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least quarterly. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without management present and shall meet periodically with management and the independent auditor. The Committee shall also meet separately with the independent auditor at every regularly scheduled meeting of the Committee at which the independent auditor is present.

F. Special Meetings

The Chair, any two members of the Committee, the independent auditor or the Chief Executive Officer of Alter NRG may call a special meeting of the Committee.

G. Quorum

Two members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

H. Notice of Meetings

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may, in any manner, waive notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

I. Agenda

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board of Directors and management of Alter NRG. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practicable, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

J. Delegation

Subject to subsection 19(e) ii of the Corporation's Audit Committee Charter, the Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

K. Access

In discharging its oversight role, the Committee shall have full access to all books, records, facilities and personnel of Alter NRG.

L. Attendance of Others at a Meeting

At the invitation of the Chair, one or more officers, directors or employees of Alter NRG may, and if required by the Committee shall, attend a meeting of the Committee.

M. Procedure, Records and Reporting

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board of Directors when the Committee may deem appropriate (but not later than the next meeting of the Board of Directors).

N. Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain, at Alter NRG's expense, outside consultants or advisors (including independent counsel) to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain or terminate such consultants or advisors, including the sole authority to approve the fees and other retention terms for such persons.

3 - MANDATE OF COMMITTEE

A. Appointment of Alter NRG's Independent Auditor

Subject to confirmation by the independent auditor of its compliance with Canadian regulatory registration requirements, the Committee shall recommend to the Board of Directors the appointment of the independent auditor for the purpose of preparing or issuing any audit report or performing other audit, review or attest services for Alter NRG, such appointment to be confirmed by Alter NRG's shareholders at each annual meeting. The Committee shall also recommend to the Board of Directors the engagement letter with the independent auditor, the approval of fees to be paid to the independent auditor for audit services and shall pre-approve the retention of the independent auditor for any permitted non-audit service. The Committee shall also be directly responsible for the retention and oversight of the work of the independent auditor (including resolution of disagreements between management of Alter NRG and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Alter NRG. The Committee shall communicate directly with the independent auditor. The independent auditor shall report directly to the Committee.

The Committee shall review the independence of the independent auditor including a written report from the independent auditor delineating all relationships between the auditor and Alter NRG, considering whether the advisory services performed by the independent auditor during the course of the year have affected its independence, and ensuring that no relationship or service between the independent auditor and Alter NRG is in existence that may affect the objectivity and independence of the auditor, or recommending appropriate action to ensure the independence of the independent auditor.

B. Specific Mandates

The Committee, to the extent required by applicable laws or rules, or otherwise considered by the Committee to be necessary or appropriate, shall:

a. Oversight in Respect of Financial Disclosure

i. review, discuss with management of Alter NRG and the independent auditor, and recommend to the Board of Directors for approval:

I. the audited annual financial statements;

II. the annual information form;

III. the annual management's discussion and analysis;

IV. the portions of the management proxy circular, for any annual or special meeting of shareholders, containing significant financial information respecting Alter NRG;

V. all financial statements included in prospectuses or other offering documents;

VI. any significant financial information contained in all prospectuses and all documents which may be incorporated by reference in a prospectus;

VII. any significant financial information respecting Alter NRG contained in a material change report or a business acquisition report;

ii. review, discuss with management of Alter NRG and the independent auditor, and approve:

I. the unaudited interim financial statements;

II. the quarterly management's discussion and analysis;

III. the interim reports;

iii. review and discuss with management of Alter NRG and the independent auditor:

I. each press release which contains significant financial information respecting Alter NRG (including, without limitation, annual and interim earnings press releases) or contains estimates or information regarding Alter NRG's future financial or operational performance or prospects prior to public dissemination thereof;

II. the use of "pro forma" or "adjusted" non-IFRS information;

III. financial information and earnings guidance provided to analysts and rating agencies; provided, however, that such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and the Committee need not discuss in advance each instance in which Alter NRG may provide earnings guidance or presentations to rating agencies;

IV. any other audited financial statements required to be prepared regarding Alter NRG or its subsidiaries or benefit plans if required to be made publicly available or filed with a regulatory agency;

iv. review with management and the independent auditor the scope of the audit, in particular the independent auditor's view of Alter NRG's accounting principles as applied in the financial statements in terms of disclosure quality and evaluation methods, inclusive of the clarity of Alter NRG's financial disclosure and reporting, degree of conservatism or aggressiveness of Alter NRG's accounting principles and underlying estimates, and other significant decisions made by management in preparing the financial disclosure and reviewed by the independent auditor;

v. review with management of Alter NRG and the independent auditor major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls and procedures for financial reporting and management information systems and inquire of management and the independent auditor about significant risks and exposures to the Corporation that could significantly affect Alter NRG's financial statements;

vi. review with management of Alter NRG and the independent auditor, and satisfy itself as to the adequacy of the procedures that are in place for the review of Alter NRG's disclosure of financial information extracted or derived from Alter NRG's financial statements, and periodically assess the adequacy of those procedures;

vii. review with management of Alter NRG and the independent auditor (including those of the following that are contained in any report of the independent auditor): (a) all critical accounting policies and practices to be used by Alter NRG in preparing its financial statements; (b) all alternative treatments of financial information within IFRS that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material communications between the independent auditor and management of Alter NRG, such as any management letter or schedule of unadjusted differences;

viii. review with management of Alter NRG and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet transactions on Alter NRG's financial statements;

ix. review the plans of management of Alter NRG and the independent auditor regarding any significant changes in accounting practices or policies and the financial and accounting impact thereof;

x. review with management of Alter NRG, the independent auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of Alter NRG, and the manner in which these matters have been disclosed in the financial statements;

xi. review disclosures by Alter NRG's Chief Executive Officer and Chief Financial Officer with respect to any required certification for Alter NRG's financial statements by such individuals; and

xii. discuss with management Alter NRG's material financial risk exposures and the steps management of Alter NRG has taken to monitor and control such exposures, including Alter NRG's financial risk assessment and financial risk management policies.

c. Oversight in Respect of Legal and Regulatory Matters

   i. Review, if necessary, with legal counsel, Alter NRG's compliance policies, legal matters and any material reports or inquiries received from regulators or governmental agencies that could have a material effect upon the financial position of Alter NRG and which are not subject to the oversight of another committee of the Board of Directors.

d. Oversight in Respect of Internal Audit

   i. review the annual audit plans of the Chief Financial Officer of Alter NRG;

   ii. review the significant findings prepared by the Chief Financial Officer of Alter NRG and recommendations issued by any external party relating to internal audit issues, together with management's response thereto;

   iii. monitor compliance with Alter NRG's policies and avoidance of conflicts of interest that may have a material impact on the financial statements;

   iv. review the adequacy of the resources of the Chief Financial Officer of Alter NRG to ensure the objectivity and independence of the internal audit function;

   v. consult with management on management's appointment, replacement, reassignment or dismissal of the Chief Financial Officer of Alter NRG;

   vi. ensure the Chief Financial Officer of Alter NRG has access to the Chair, the Chairman of the Board of Directors and the Chief Executive Officer of Alter NRG, and shall meet separately with the Chief Financial Officer of Alter NRG to review any problems or difficulties he or she may have encountered and specifically:

      I. any difficulties which were encountered in the course of the audit work, including restrictions on the scope of activities or access to required information, and any disagreements with management of Alter NRG; and

      II. any changes required in the planned scope of the internal audit; and report to the Board of Directors on such meetings;

   vii. periodically review officers' expenses.

e. Oversight in Respect of the Independent Auditor

   i. meet with the independent auditor prior to the annual audit to review the planning and staffing of the audit;

   ii. review annually the independent auditor's formal written statement of independence delineating all relationships between itself and Alter NRG and review all such relationships;

   iii. receive and review annually the independent auditor's written report on its own internal quality control procedures; any material issues raised by the most recent internal quality control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, and any steps taken to deal with such issues;

   iv. review the experience, qualifications and performance of the senior members of the audit team of the independent auditor;

v. review and evaluate the independent auditor, including the lead partner of the independent auditor team;

vi. review with the independent auditor the adequacy and appropriateness of the accounting policies used in preparation of the financial statements;

vii. meet separately with the independent auditor to review with them any problems or difficulties they may have encountered and specifically:

I. any difficulties which were encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and any disagreements with management of Alter NRG; and

II. any changes required in the planned scope of the audit; and report to the Board of Directors on such meetings;

viii. review the annual post-audit or management letter from the independent auditor and management's response and follow-up in respect of any identified weakness, inquire regularly of management of Alter NRG and the independent auditor of any significant issues between them and how they have been resolved, and intervene in the resolution if required;

ix. review the engagement reports of the independent auditor on unaudited financial statements of Alter NRG; and

x. review and approve Alter NRG's hiring policies regarding partners, employees, former partners and former employees of Alter NRG's present and former independent auditor.

f. Oversight in Respect of Audit and Non-Audit Services

i. have the sole authority to pre-approve all audit services (which may entail providing comfort letters in connection with securities underwritings) and all permitted non-audit services, other than non-audit services where:

I. the aggregate amount of all such non-audit services provided to Alter NRG or its subsidiaries constitutes not more than 5% of the total amount of fees paid by Alter NRG (and its subsidiaries) to the independent auditor during the fiscal year in which the non-audit services are provided; and

II. such services were not recognized by Alter NRG (or any subsidiary) at the time of the engagement to be non-audit services; and

III. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

ii. delegate to one or more designated members of the Committee the authority to grant pre-approvals required by this section; provided that the decision of any member to whom authority is delegated to pre-approve an activity shall be presented to the Committee at the first scheduled meeting following such decision, and provided further that, if the Committee approves an audit service within the scope of the engagement of the independent auditor, such audit service shall be deemed to have been pre-approved for purposes of this section.

g. Oversight in Respect of Certain Policies

i. establish procedures for: (a) the receipt, retention and treatment of complaints received by Alter NRG regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of Alter NRG of concerns regarding questionable accounting or auditing matters.

ii. periodically review Alter NRG's public disclosure policy.

C. Self-Evaluation

The Committee shall conduct an annual performance self-evaluation and shall report to the Board the results of the self-evaluation.

D. Non-Exhaustive List

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its oversight responsibilities.

E. Review of Committee's Charter

The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board of Directors.

F. Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Alter NRG's financial statements are complete and accurate or are in accordance with IFRS. These are the responsibilities of management of Alter NRG and the independent auditor. The Committee and its Chair are members of the Board of Directors, appointed to the Committee to provide broad oversight of the financial risk and control related activities of Alter NRG, and are specifically not accountable nor responsible for the day to day operation or performance of such activities. The role of all Committee members is to oversee the process, not to certify or guarantee the accuracy or completeness of the internal or external audit of Alter NRG's financial information or public disclosure.