

PRIMARY ENERGY RECYCLING CORPORATION AND ITS SUBSIDIARIES

DISCLOSURE AND INSIDER TRADING POLICY¹

As amended on June 15, 2011

Introduction

The Securities of PERC are publicly traded on the Toronto Stock Exchange ("TSX"). PERC as a publicly traded company is subject to securities laws that regulate the trading of its Securities. Such securities laws not only regulate the trading of PERC's Securities but the manner in which PERC may communicate information relating to its business and operations. It is the policy of PERC that any party that has a Special Relationship with PERC refrain from disclosing to third parties any Material Fact that they may receive in the course of their duties, or by virtue of their connection with PERC, relating to the business, operations, financial condition and dealings of PERC prior to public disclosure of such Material Facts. Similarly, Undisclosed Material Information should be disseminated within PERC only to those individuals with a need to know such Material Facts. It is also the policy of PERC that any party that has a Special Relationship refrain from (i) the purchase or sale of Securities of PERC or engaging in other transactions involving any Related Financial Instrument ("Insider Trading") while in possession of Undisclosed Material Information, (ii) informing others of the Undisclosed Material Information except in the necessary course of business ("Tipping"), or (iii) recommending or encouraging another person to purchase or sell Securities of PERC or engaging in a transaction involving a Related Financial Instrument while in possession of Undisclosed Material Information.

Application of This Policy

This policy applies to any third party that has a Special Relationship with PERC, including but not limited to (i) all directors and officers of PERC, (ii) directors, officers and employees of each of PERC's subsidiaries and (iii) directors, officers and employees of any third party that provides management services to PERC (the "Manager").

Handling of Confidential/Undisclosed Material Information

Employees, officers and directors of PERC, PERC's subsidiaries and the Manager should be aware that they have a legal duty to refrain from using any Undisclosed Material Information in their possession to profit in transactions in PERC's Securities or in the Securities of companies with which PERC may have dealings, and Tipping could expose both them and PERC to fines, penalties, imprisonment and liability to investors and PERC for damages under the securities laws, including the law against Insider

¹ Capitalized terms not otherwise defined in the text of this Policy are defined in Appendix C to this Policy.

Trading and Tipping. PERC may refer any breach of such laws to the appropriate regulatory authorities.

The onus of complying with this policy and the relevant rules is on each individual director, officer and employee of PERC, its subsidiaries and the Manager each of whom is expected to be familiar with this policy. A failure to comply with this policy may result in the immediate suspension or dismissal of any officer or employee of PERC, a subsidiary or the Manager or a request for the resignation of a director.

Each person with access to Undisclosed Material Information in his or her normal duties is responsible for exercising due care to keep such information secure from unnecessary or unintended disclosure to others during and outside of normal working hours. Where public disclosures of Undisclosed Material Information are contemplated, such disclosures should be cleared with the Chief Executive Officer of PERC or the Chief Financial Officer of PERC.

Requests for Confidential Information by Third Parties

From time to time employees, officers and directors of PERC, its subsidiaries or the Manager may receive requests from third parties outside PERC for Undisclosed Material Information or for confirmation of rumors that may constitute Insider Information. It is the policy of PERC that no party that has a Special Relationship respond to requests for Material Facts and that no comment be made to requests for confirmation of rumors relating to PERC. All such requests are to be referred to the Chief Executive Officer of PERC or the Chief Financial Officer of PERC for response.

Communications Covered by this Policy

This policy applies to all methods and forms of communication by PERC and its subsidiaries, including disclosures made in public corporate documents of PERC's such as its annual and quarterly reports, letters to shareholders, press releases. This policy also applies to any oral public statements such as statements made at shareholders meetings, press conferences, analysts' conferences, private meetings with analysts), information contained on PERC's web site and other electronic communications.

Spokespersons and Implementation

Only the following individuals are individuals (each being a "Spokesperson") authorized to communicate with the media, or communicate with analysts, investors, a stock exchange, a securities regulator, or the public: (i) the Chief Executive Officer of PERC; (ii) the Chief Financial Officer of PERC; and (iii) any Director of PERC.

No other individual has actual or implied authority to be a Spokesperson for PERC. A Spokesperson may, from time to time, expressly designate certain officers of PERC, the Manager or their subsidiaries or other third party to respond to specific inquiries.

Each of the Chief Executive Officer of PERC, the Chief Financial Officer of PERC, and Chairman of the Governance Committee (each being a "Disclosure Manager") are responsible for the implementation of this policy and may act collectively or individually to implement this policy. The Disclosure Managers are responsible for ensuring that appropriate procedures and processes are put in place to enable compliance with this policy. The Corporate Governance and Compensation Committee of the Board of Directors of PERC is responsible for maintenance and update of this policy. The Chief Financial Officer of PERC is responsible for creating and maintaining an investor relations page on PERC's web site and assuring that all information disclosed on such investor relations page is in compliance with the applicable securities laws and regulation.

Material Information

For liability to result from engaging in transactions involving PERC Securities on the basis of Undisclosed Material Information such information must include Material Facts and not be Generally Disclosed.

Situations will arise where PERC and/or one or more of its subsidiaries will need to keep Material Information confidential. In such situations, those in possession of such Undisclosed Material Information must, in fact, keep such Undisclosed Material Information confidential and refrain from trading in the Securities of PERC or other affected companies until such time as the Undisclosed Material Information has been made public.

Materiality of information is affected by factors such as PERC's existing disclosure record, the volatility and liquidity of PERC's Securities and prevailing market conditions. Everyone subject to the policy should act prudently and conservatively. If there is doubt about whether particular information includes Material Facts which are non-public contact the Chief Financial Officer of PERC.

Regulators have provided examples of events and information that they believe may be material. See Appendix A for examples of information that the Canadian Securities Administrators and the TSX believe may be Material Information.

Procedures When Undisclosed Material Information is Being Generally Disclosed

All public disclosures of Material Information relating to PERC and/or its subsidiaries, whether by way of public securities law filings or otherwise, must be made in accordance with applicable laws, regulations and stock exchange rules and shall be approved by a Disclosure Manager prior to such disclosure. Also, press releases and similar media communications pursuant to which Material Information relating to PERC and its subsidiaries are disclosed must be reviewed and approved by the Chief Financial Officer of PERC or the Chief Executive Officer of PERC before they are issued or made.

Where the public disclosure of Material Information anticipated is a press release disclosing financial information, including the results of operations for an interim or

annual period and changes to any statements relating to earnings of PERC, such disclosures must be approved by the Audit Committee, if authorized to do so by the board of directors, or the by the board of directors itself. If not inconsistent with PERC's obligation under applicable securities laws, where practicable, the financial information disclosed in such press releases should be filed with the securities regulators at the same time as the earnings are announced in such press release.

Quiet Period

During each period ("Quiet Period") (i) beginning on the last day of each fiscal quarter and each fiscal year, and (ii) ending when the earnings for that quarter or year have been publicly disclosed by way of a press release and/or the making of an appropriate securities filing, PERC must not provide any statements relating to earnings of PERC or comment upon the financial results of PERC for the fiscal quarter or fiscal year. During a Quiet Period, PERC may respond to unsolicited inquiries about information that is not Material Information or Material Information that has previously been publicly disclosed.

Disclosure Permitted if Necessary in the Course of Business

Undisclosed Material Information may be disclosed to those subject to this policy if it is necessary in the course of PERC's business. Communication of Undisclosed Material Information other than in the necessary course of business may be illegal Tipping, even if a confidentiality agreement has been entered into. Appendix B lists circumstances where securities regulators believe disclosure may be in the necessary course of business. When in doubt, individuals should consult with a Disclosure Manager to determine whether disclosure in a particular circumstance is in the necessary course of business.

Disclosure of Undisclosed Material Information to credit rating agencies will generally be considered to be in the necessary course of business, but disclosure to analysts, institutional investors, other market professionals and members of the press and other media is not considered to be in the necessary course of business.

If Undisclosed Material Information is disclosed in the necessary course of business, the recipient should be advised that the information is Material Information that has not been publicly disclosed. In appropriate circumstances, a confidentiality agreement should be entered into between PERC and the recipient.

Where any Undisclosed Material Information communicated in the necessary course of business becomes publicly known on a selective basis, there are rumors in the market with respect to such information or there are reasonable grounds to believe that persons are purchasing or selling Securities of PERC with knowledge of such information, the Material Information must be promptly publicly disclosed by press release.

Confidentiality Agreements

When Undisclosed Material Information is disclosed to a third party in the necessary course of business, it is prudent for PERC to obtain, in appropriate circumstances, written agreement from the third party that such party will not divulge the information to anyone (other than to directors officers or other employees of the third party who need to know the information for the purposes for which the Undisclosed Material Information was communicated to them) without written authorization from PERC and that the third party understands the restrictions under applicable securities laws not to purchase or sell Securities of PERC or any other entity to which the information relates, until the transaction, development or event has been publicly disclosed or has been abandoned.

Rumors

When asked to comment on market rumors, Spokespersons must consistently respond by stating that "it is our policy not to comment on market rumors or speculation". Inconsistent commenting on rumors may constitute selective disclosure which, itself, can create problems under applicable securities laws.

When requested by the TSX or government regulators to make a clarifying statement, PERC should, if in the opinion of the board of directors it is appropriate to do so, promptly issue a press release: (i) denying the rumor, if the rumor is false; or (ii) disclosing the relevant Material Information, if the rumor is correct in whole or in part.

If previously undisclosed Material Information has leaked or become known and appears to be affecting trading activity in PERC's Securities, immediate steps must be taken to publicly disclose the Material Information.

Purchase and Sale of PERC's Securities

Trading Officer

For the purposes of this policy, the "Trading Officer" will be the Chief Financial Officer of PERC.

Pre-approval of Trades

Directors, officers and employees of PERC, the Manager and either of their subsidiaries must obtain the approval of the Trading Officer before their purchase or sale any of the publicly traded Securities or Related Financial Instruments of PERC. The Trading Officer will advise individuals if they are subject to filing of Insider Reports.

Prohibitions on Trading PERC's Securities

No one subject to this policy may purchase or sell Securities of PERC during a Black-out Period.

As used herein the term "Black-out Period" means: (i) each period (A) beginning on the last day of each fiscal quarter and each fiscal year-end (in either case, after market close if a trading day), and (B) ending at the end of the second trading day (which is a day on which the TSX is open for trading and on which the trading in PERC's Securities is not halted or suspended), after the financial results for that quarter or year have been disclosed by way of a press release; and (ii) any other period designated by the Chief Financial Officer of PERC in consultation with other Disclosure Managers and communicated to those to whom the policy applies.

Even when not in a Black-Out Period, no one subject to this policy may purchase or sell Securities of PERC or any other entity while they possess Material Information that has not been publicly disclosed (any such purchase or sale being "Insider Trading"). Persons subject to such Black-out Periods may include external advisors such as legal counsel, investment bankers, consultants and counter parties in material transactions. Doing so would constitute a breach of this policy and illegal Insider Trading under applicable securities laws.

Exceptions

Despite foregoing prohibitions on trading PERC's Securities, anyone subject to this policy may purchase or sell Securities during a Black-out Period with the prior written consent of the Trading Officer. The Trading Officer will grant permission to purchase or sell during a Black-out Period only in exceptional circumstances. The Trading Officer must obtain the approval of the Chief Executive Officer before the Trading Officer purchases or sells any of the publicly traded Securities of PERC during a Black-out Period. Exceptional circumstances may include the sale of Securities in the case of financial hardship or where the timing of the sale is critical for tax planning purposes. In addition, deferred share units may be awarded in accordance with the terms of PERC's deferred share unit plan on the date on which payments of directors' annual remuneration is payable even if such date occurs during a Black-out Period. Written consent of the Trading Officer must be obtained prior to redemptions or discretionary awards of deferred share units that occur during a Black-out Period.

Other Issuers

Illegal Insider Trading in Securities of another public issuer and illegal Tipping of Undisclosed Material Information relating to another issuer can bring PERC into disrepute and may be a violation of securities laws. Accordingly, neither PERC nor anyone subject to this policy who possesses Undisclosed Material Information relating to that other issuer may: (i) purchase or sell Securities of the other issuer while they possess the Undisclosed Material Information; (ii) engage in Tipping of the Undisclosed Material Information relating to the other issuer; or (iii) recommend or encourage another person to purchase or sell Securities of the other issuer or transact in a Related Financial Instrument while they possess Undisclosed Material Information.

Speculative and Short Sales

No one subject to this policy may purchase or sell Securities of PERC with the intention of reselling or repurchasing in a relatively short period of time in the expectation of a short-term rise or fall in the market price of the Securities of PERC. Speculating in Securities of PERC for short term profit is distinguished from purchasing and selling Securities of PERC as part of a long term investment program.

No one subject to this policy may, at any time, sell Securities of PERC short or buy or sell call or put options in respect of Securities of PERC. In exceptional circumstances, the Trading Officer may grant an exemption from this prohibition where such trading is otherwise not prohibited under applicable law.

Insider Reports

Insiders are obligated to file certain reports under applicable securities laws and regulations. The term "Insider" includes: (i) directors and senior officers of PERC and its subsidiaries, (ii) directors and senior officers of the Manager, and (iii) any person or company who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding voting Securities of PERC or any of its subsidiaries and any director or senior officer of such person or company.

Immediately after becoming an Insider of PERC, an Insider must advise the Chief Financial Officer of PERC of any direct or indirect beneficial ownership of or control or direction over Securities of PERC, and any prior transactions in Related Financial Instruments that are still in effect, and the Chief Financial Officer of PERC must file with the applicable securities regulators Insider reports in respect of the Insider's initial holdings not later than the time Insider reports are required to be filed under applicable law.

Immediately after the purchase or sale of any Securities of PERC, an Insider must advise the Chief Financial Officer of PERC of the details of the purchase or sale, and Chief Financial Officer of PERC must file with the applicable securities regulators Insider reports in respect of the purchase or sale not later than the time Insider reports are required to be filed under applicable law.

Immediately after transacting in a Related Financial Instrument, an Insider must advise the Chief Financial Officer of PERC of the details of such transaction and the Chief Financial Officer of PERC must file with the applicable securities regulators Insider reports not later than the time Insider reports are required to be filed under applicable law.

Chief Financial Officer of PERC will prepare and file Insider reports relating to an Insider's securities-based incentive compensation, if any.

Distribution of this Policy

Copies of PERC's Disclosure and Insider Trading Policy shall be distributed: (i) at least annually to all employees of PERC and its subsidiaries, (ii) at least annually to all employees of the Manager and its subsidiaries involved in the conduct of the business and operations of PERC and/or any of its subsidiaries, (iii) at least annually to all members of the board of directors of PERC, and (iv) upon employment to new employees of PERC and its subsidiaries and new employees of the Manager involved in the conduct of the business and operations of PERC and/or its subsidiaries. At least annually, the Manager shall certify compliance with this distribution policy.

APPENDIX A

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

(Based on National Policy 51-201)

Changes in corporate structure

- changes in share ownership that may affect control of PERC
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in capital structure

- the public or private sale of additional Securities
- planned repurchases or redemptions of Securities
- planned splits of shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or share distribution
- changes in PERC's distribution payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

Changes in financial results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of PERC's assets
- any material change in PERC's accounting policies

Changes in business and operations

- any development that affects PERC's resources, technology, products or markets
- a significant change in capital investment plans or objectives
- major labor disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents or services or significant losses of contracts or business
- changes to the board of directors or executive management, including the departure of PERC's CEO or CFO
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of PERC's Securities or their movement from one quotation system or exchange to another

Acquisitions and dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other entities, including a take-over bid for, or merger with, another company

Changes in credit arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of PERC's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- Changes in rating agency decisions
- significant new credit arrangements

EXAMPLES OF INFORMATION THAT MAY BE MATERIAL

(Based on Section 410 of the TSX Company Manual)

- changes in share ownership that may affect control of PERC
- changes in corporate structure, such as reorganizations, amalgamations, etc.
- take-over bids or issuer bids
- major acquisitions or dispositions
- changes in capital structure
- borrowing of a significant amount of funds
- public or private sale of additional Securities
- developments affecting PERC's resources, technology, products or market
- entering into or loss of significant contracts
- firm evidence of significant increases or decreases in near-term earnings prospects
- changes in capital investment plans or corporate objectives
- significant changes in management
- significant litigation
- major labor disputes or disputes with major contractors or suppliers
- events of default under financing or other arrangements
- any other developments relating to the business and affairs of PERC that would reasonably be expected to significantly affect the market price or value of any of PERC's Securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions

APPENDIX B

Examples of disclosures that may be necessary in the course of business
(Based on National Policy 51-201)

The necessary course of business exception to the Tipping prohibition would generally cover communications with:

- disclosure to or among subsidiaries of PERC's under the terms of various contractual arrangements
- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- employees, officers and board members
- lenders, including under operating lines and mortgages
- legal counsel, auditors, underwriters, and financial and other professional advisors to PERC or its subsidiaries
- parties to negotiations
- labor unions and industry associations
- government agencies and non-governmental regulators
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available)
- in connection with a private placement
- communications with controlling security holders, in certain circumstances

APPENDIX C

Definitions

"Generally Disclosed" means the public disclosure of information in a manner calculated to result in broad dissemination to the marketplace and the passage of a reasonable amount of time (generally at least 24 hours but it could be longer, depending on the circumstances) to permit adequate dissemination in the market and to give investors a reasonable time to analyze the information, and "Generally Disclose" means to disseminate information in that manner.

"Material Fact" means any fact that would reasonably be expected to have a significant effect on the market price or value of any of the Securities of PERC.

"Material Change" means a change in the business, operations or capital of PERC that would reasonably be expected to have a significant effect on the market price or value of any of the Securities of PERC and includes a decision by the board of directors or by senior management (where management believes that board of directors confirmation of the decision is probable) to implement such a change.

"Material Information" means Material Changes and Material Facts.

"Related Financial Instrument" means an agreement, arrangement or understanding to which an insider of PERC is a party, the effect of which is to alter, directly or indirectly the insider's: (i) economic interest in a Security of PERC; or (ii) economic exposure to PERC.

"Security" or "Securities" means a security or securities as defined under applicable securities law (including income deposit securities, shares, notes, options, warrants, rights and other instruments and interests) and Related Financial Instruments.

"Special Relationship" includes, with respect to PERC, a person who is: (a) a director, officer or employee of PERC or any of its subsidiaries; (b) any person or company that is engaging in or proposes to engage in any business or professional activity with or on behalf of PERC or its subsidiaries, including but not limited to the Manager and any director, officer or employee of such person or company; (c) any person or company who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding voting securities of PERC or any of its subsidiaries and any director, officer or employee of such person or company; (d) a person who learned of the Undisclosed Material Information while that person was a person listed in (a) through (c) above; and (e) any person who receives Undisclosed Material Information from a person who the recipient of such Undisclosed Material Information knows, or ought reasonably to have known, is a person listed in (a) through (d) above.

"Undisclosed Material Information" means Material Information that has not been Generally Disclosed.