

FORM 51-102F3

MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102

1. **Name and Address of Company**

BacTech Environmental Corporation
50 Richmond Street East, Suite 300
Toronto, Ontario M5C 1N7

2. **Date of Material Change**

October 17, 2011

3. **News Release**

A news release with respect to the material change referred to in this report was issued on October 17 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”, **CNSX: BAC**) today announced the results of a NI 43-101 technical report for the Snow Lake, Manitoba arsenic/gold residue stockpile (“GRS”) compiled by Ralph Newson, the independent Qualified Person (“QP”) who authored the report.

5. **Full Description of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”, **CNSX: BAC**) today announced the results of a NI 43-101 technical report for the Snow Lake, Manitoba arsenic/gold residue stockpile (“GRS”) compiled by Ralph Newson, the independent Qualified Person (“QP”) who authored the report.

The technical report outlines a Measured Mineral Resource of 265,000 tonnes grading 9.7 grams per tonne gold and 2.17 grams per tonne silver for the stockpile. In addition, an Indicated Mineral Reserve of 9300 tonnes grading 9.2 grams per tonne gold and 2.15 grams per tonne silver is estimated, as is a further Inferred Mineral Resource of 28,000 tonnes grading 7.0 grams per tonne gold and 2.4 grams per tonne silver. The samples were assayed at Inspectorate Exploration and Mining Services Ltd., in Richmond, B.C., an approved assay facility. The following chart outlines the total ounces for the various resource calculations.

	Tonnes	Gold g/t	Ounces	Silver g/t	Ounces
Measured Resource	265,000	9.7	82,643	2.17	18,488
Indicated Resource	9,300	9.2	2,750	2.15	642
Inferred Resource	28,000	7.0	6,300	2.4	2,160

The author of the technical report recommends that a feasibility study be undertaken using the tonnage and grade estimations reported above to investigate whether or not the Measured Mineral Resource can be raised to a Mineral Reserve. The Company has begun the process of identifying a suitable engineering company to conduct a feasibility study and a decision will be made shortly. In addition a site selection process for the proposed plant has begun in Snow Lake and a decision is also expected shortly.

BacTech proposes to build next summer (2012) at its expense, a bioleach plant to treat and stabilize the contained arsenic in the stockpile as a ferric arsenate while liberating the contained gold for recovery for its own account. Production is slated to begin in the 4th quarter of 2012.

Given the fact that the stockpile has already been concentrated there is no need for a flotation plant, or a crushing and grinding circuit, which substantially reduces the capital costs for the project.

"We have cleared another hurdle with the publishing of the results from the NI 43-101 technical report as it confirms our understanding of the GRS and solidly establishes the value of the project to our company and shareholders. The next hurdle will be delivering a NI 43-101 compliant feasibility study on the project, which will begin shortly. I am pleased to say that the Government of Manitoba and the town of Snow Lake have been very helpful getting us to this stage. We are very excited to be building the first bio-leach facility in North America and see it as our template to build other plants in the North American market and beyond to address similar acid mine drainage and arsenic contamination issues" said Ross Orr, President and CEO of BacTech.

This news release was reviewed by N. Ralph Newson, M.Sc., P.Eng., P.Geo., the independent Qualified Person ("QP") who authored the technical report, which is dated July 20, 2011. A copy of the technical report will be filed on SEDAR, and will be available on BacTech's website.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

For further information, contact Ross Orr, President and Chief Executive Officer of BacTech Environmental Corporation at (416) 813-0303.

9. **Date of Report**

November 18, 2011