

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**

December 13, 2011

3. **News Release**

A news release with respect to the material change referred to in this report was issued on December 13 and subsequently filed on SEDAR.

4. **Summary of Material Change**

Toronto, Canada, December 13, 2011 - BacTech Environmental Corporation ("BacTech" or the "Company", CNSX: BAC, WKN: A1H4TY) is pleased to announce that it has executed the final contract with the Manitoba Department of Innovation Energy and Mines for the remediation of the arsenopyrite stockpile in Snow Lake, Manitoba.

5. **Full Description of Material Change**

Toronto, Canada, December 13, 2011 - BacTech Environmental Corporation ("BacTech" or the "Company", CNSX: BAC, WKN: A1H4TY) is pleased to announce that it has executed the final contract with the Manitoba Department of Innovation Energy and Mines for the remediation of the arsenopyrite stockpile in Snow Lake, Manitoba.

The contract details, among other things, time horizons with respect to BacTech's goal of building and operating a bioleach plant in Snow Lake. The bioleach plant is to be built to reprocess the arsenopyrite stockpile that has been sitting onsite at the Snow Lake Mine (formerly known as the Nor-Acme Mine) since the mid-1950s. BacTech has proposed a "no cost to the taxpayer" approach meaning the Company will build and operate the plant, at its sole expense, in exchange for the gold and silver recovered from the stockpile. The Province will receive a 2% net smelter royalty on production once the capital costs for the plant have been recovered. BacTech has the right to purchase one half of the 2% royalty for \$500,000 at any time.

A recent NI 43-101 report completed by Ralph Newson QP estimates that there are 82,000 ounces of gold in the measured category with an additional 10,000 ounces of gold in the Indicated category. Included in the NI 43-101 is a small amount of silver (~18,000 oz) which can also be recovered as a by-product.

BacTech will now engage the services of an independent engineering company to complete a preliminary economic assessment in the first quarter of 2012. The study will determine the capital

and operating expenses with a +/- 30 % variability. A positive study will call for the completion of a feasibility study that will tighten the variability to +/- 10%.

BacTech hopes to be able to begin construction of the plant by late summer of 2012 with production beginning before the end of 2012.

"We have just returned from the annual Manitoba Mining Convention where we met with representatives of both the provincial government and members of the town council for Snow Lake. We are pleased by the support we have had from both groups as we move the project closer to reality. Signing the definitive contract is a big step forward" said Ross Orr, President and CEO of BacTech.

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**

Dec 13, 2011