

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**

January 19, 2012

3. **News Release**

A news release with respect to the material change referred to in this report was issued on January 18, 2012 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”) announced the closing of the first tranche of the private placement originally announced on December 12, 2011. The Company issued 705,000 units priced at \$0.20 per unit, for total gross proceeds of CAD\$141,000.

5. **Full Description of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”) announced the closing of the first tranche of the private placement originally announced on December 12, 2011, The Company issued 705,000 units priced at \$0.20 per unit, for total gross proceeds of CAD\$ 141,000. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$0.30 until January 18, 2013.

The common shares and underlying securities issued pursuant to the private placement are subject to a four-month hold period which expires May 19, 2012.

The proceeds of the private placement will be used for the Snow Lake project in Manitoba, general working capital and ongoing test work.

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**

January 19, 2012