

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**

March 20, 2012

3. **News Release**

A news release with respect to the material change referred to in this report was issued on March 20, 2012 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech reports positive Bioleach test results

5. **Full Description of Material Change**

BacTech Environmental today announced the results of its bioleach test work on concentrates from the Snow Lake arsenic/gold residue stockpile that is a refractory material containing high levels of arsenic (16%).

The Company is pleased to report that the patented BACOX bio-oxidation process oxidizes over 95% of the sulphides. This eliminates future acid mine drainage environmental problems associated with the stockpile, that are one of the key drivers of the project.

In addition, the bio-oxidation process renders 88.6% of gold contained in the sulphides available for extraction, compared to only 9.4% using conventional gold extraction without oxidation. A high weight loss of 45.7% was obtained during oxidation resulting in the gold grade almost doubling to 17.8 g/t from the original 9.80g/t, but still maintaining the same amount of gold in the plant feed. This mass reduction reduces considerably the size and cost of equipment required in final gold extraction processing. The reagent consumptions noted in the test work for gold extraction were also modest and comparable to those associated with current bio-oxidation plants used in the gold mining industry.

The bioleach work is an integral part of the ongoing Economic Study currently underway with Micon International. The study is expected to be completed in April. In addition, BacTech has hired Golder Associates Ltd. who is in the process of completing the Environmental Impact Statement required for an Environment Act License.

This news release has been reviewed by David Salari, P.Eng., the Qualified Person, as defined by National Instrument 43-101. All bioleach and assay work was conducted by Inspectorate Exploration and Mining Services.

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**

March 20, 2012