

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**

April 25, 2012

3. **News Release**

A news release with respect to the material change referred to in this report was issued on April 25, 2012 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech closed first tranche of Convertible Debenture

5. **Full Description of Material Change**

BacTech has received a total of \$425,000 in subscriptions as of today. A second closing is expected early next week for the balance. The financing consists of units priced at \$10,000 per unit. Each unit consists of a \$10,000 principal amount redeemable convertible debenture and 50,000 Series E common share purchase warrants. The debentures will bear interest at 12 per cent per annum payable quarterly. The term of the debenture is 2 years. BacTech has the option to redeem the debentures at par at any time beginning 120 days from issuance. At any time prior to maturity or redemption the debentures are convertible at the option of the holder into common shares at a conversion price of \$0.20. Each Series E warrant entitles the holder to purchase one common share at a price of \$0.20 for a period of 2 years from closing. The debentures and warrants and the common shares issuable upon conversion of the debentures and exercise of the warrants will be subject to a 4 month hold period from the closing of the financing.

BacTech has paid finder's fees totaling \$24,000 cash and 150,000 finder's warrants to arm's length parties who introduced subscribers for the units in this first closing. Each finder's warrant is exercisable for one common share at \$0.20 each for a period of 2 years from closing.

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**

April 25, 2012