

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**

May 4, 2012

3. **News Release**

A news release with respect to the material change referred to in this report was issued on May 4, 2012 and subsequently filed on SEDAR.

4. **Summary of Material Change**

**BacTech Closes Final Tranche of Oversubscribed Convertible  
Debenture Financing**

5. **Full Description of Material Change**

BacTech Environmental Corporation ("BacTech" or the "Company", CNSX: BAC, WKN: A1H4TY) announces that it has closed the second and final tranche of its convertible debenture financing originally announced on April 19th, 2012. The financing was oversubscribed, raising an additional \$85,000 over its original goal of \$500,000. Total gross proceeds raised in the financing was \$585,000, with \$160,000 of the proceeds closed in the second tranche and \$425,000 of the proceeds closed in the first tranche.

The private placement 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 debentures mature on April 25, 2014. 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 until April 25, 2014. The debentures and warrants and the common shares issuable upon conversion of the debentures and exercise of the warrants are subject to a 4 month hold period from the closing of the financing.

BacTech has paid finder's fees totaling \$12,000 cash and 60,000 finder's warrants to

arm's length parties who introduced subscribers for the units in the second tranche. Each finder's warrant is exercisable for one common share at \$0.20 each until April 25, 2014.

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**

May 4, 2012