

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**

July 9, 2012

3. **News Release**

A news release with respect to the material change referred to in this report was issued on July 9, 2012 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech Environmental Corporation ("BEC" or the "Company") announced that it had engaged the services of Venture North Capital Inc. ("Venture North") to provide investor relations and shareholder communications services, effective immediately. The Company also announced that the Board of Directors had approved the issuance of options to purchase common shares of the Company to directors, officers, employees and consultants of the Company.

5. **Full Description of Material Change**

BacTech Environmental Corporation ("BEC" or the "Company") announced that it had engaged the services of Venture North Capital Inc. ("Venture North") to provide investor relations and shareholder communications services, effective immediately. In connection with the engagement, Venture North was awarded a consulting contract paying \$3,500 per month, and was granted, pursuant to the Company's stock option plan, 75,000 stock options at a price of \$0.20. The options will vest quarterly over one year and are subject to regulatory approval.

The Company also announced that, pursuant to the Company's stock option plan, the Board of Directors had approved the issuance of an additional 1,425,000 options to purchase common shares of the Company to directors, officers, employees and consultants of the Company. The exercise price of the options is \$0.20. They are subject to a four-month hold and have a term of 5 years. The total number of outstanding options under the Company's plan is now 3,500,000 or approximately 9% of the outstanding shares.

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**

July 16, 2012