



PRESS RELEASE

CNSX: BAC

BACTECH RELEASES POSITIVE PRELIMINARY ECONOMIC ASSESSMENT ON THE REMEDIATION OF THE SNOW LAKE ARSENOPYRITE RESIDUE STOCKPILE AND ANNOUNCES PRIVATE PLACEMENT

Toronto, Canada, August 27, 2012 - BacTech Environmental Corporation ("BacTech" or the "Company", CNSX: BAC, OTC: BCCEF, WKN: A1H4TY) has released the results of the Preliminary Economic Assessment ("PEA") for its proposed reclamation project of the Arsenopyrite Residue Stockpile ("ARS") in Snow Lake, Manitoba. BacTech has entered into an agreement with the Manitoba Government to implement its Proprietary Bioleaching Technology to eliminate further leaching of arsenic generated within the ARS into the surrounding watershed.

The study, prepared by Micon International Limited ("Micon"), demonstrates an economic project to remediate the ARS at current market conditions. A summary of the study will soon be found on BacTech's website after it has been reviewed and approved by Micon.

The Bioleach Process will generate two (2) streams; one (1) being a stable ferric arsenate precipitate preventing any further leaching of arsenic into the environment; and two (2) will be a gold residue concentrate. BacTech is presently negotiating with the Town of Snow Lake to acquire a property for the bioleach plant that sits adjacent to the ARS. This will provide for relatively easy access to and from the plant and keep noise and dust at a minimum. Approximately 1.4 km from the proposed plant site are several clay pits that were recently excavated to source clay for projects in the local area. It is BacTech's intention to pipe and safely dispose of the stable ferric arsenate to one of the nearby pits for storage, water recycling, and subsequent clay capping at the end of the project. Concurrent with the PEA, BacTech has engaged Golder & Assoc. to provide baseline environmental studies for the proposed plant site and the clay impoundment pits, as well as formal submission of environmental operating permits and closure plan to Manitoba Conservation.

Preliminary Economic Assessment

The proposed Snow Lake bioleach plant is designed to treat 109 tonnes of concentrate per day from the ARS. This provides for a project life of approximately 7 years to remediate the ARS safely and benefit from an annual gold production of 10,400 oz/y. At a base case gold price of US\$1,396/oz and 88.6% gold recovery (the 3 year trailing average gold price), the direct operating cost is \$671/oz gold. Royalties and the cost for gold recovery through offsite toll treatment add \$302/oz, bringing the total cash cost to \$973/oz. CAPEX, including a 10% contingency for the project, is estimated to be Cdn\$21.4M. BacTech continues to identify and evaluate additional feeds that potentially can add to the operational life of the plant.

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Below is a chart with the highlights of the study, as well as price sensitivities for the project using 12- and 24-month average gold prices alongside the 36-month average base case price.

PRELIMINARY ECONOMIC STUDY HIGHLIGHTS (EXTERNAL TOLL TREATMENT, 88.6% GOLD RECOVERIES, PRE-TAX)			
GOLD PRICE (US\$/oz)	\$1,396 3-yr avg. (Base Case)	\$1, 538 (2-yr avg.)	\$1,674 (1-yr avg.)
Cumulative cash flow (Cdn\$M)	\$13.3	\$22.6	\$34.2
NPV @ 5%(Cdn\$M)	\$6.2	\$13.6	\$22.9
NPV @ 7% (Cdn\$M)	\$3.9	\$10.8	\$19.3
IRR	11.1%	17.8%	25.3%
Payback (undiscounted pre-tax)	4.9	3.9	3.1
Total cash cost (US\$/oz)	\$972.72	\$990.54	\$989.62

The PEA is preliminary and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. The PEA is an analysis of mineral resources that are not mineral reserves and do not have demonstrated economic viability.

In 2011, BacTech engaged the services of Ralph Newson, M.Sc., P.Eng., P.Geo., to prepare an independent NI 43-101 report on the ARS. The following chart summarizes the report. Investors should refer to the full report filed on SEDAR at www.sedar.com.

	Tonnes	Gold g/t	Ounces	Silver g/t	Ounces
Measured Resource	265,000	9.7	82,643	2.17	18,488
Indicated Resource	9,300	9.2	2,750	2.15	642
Inferred Resource	28,000	7.0	6,300	2.4	2,160

The release of the PEA triggers the onset of a 90 day period of exclusivity for Newalta Corporation ("Newalta") to review the project's economics and negotiate their participation in the Snow Lake project with BacTech. Newalta provided \$300,000 towards the cost of the PEA in exchange for the exclusivity period.

Private Placement

BacTech also announced that it intends to raise up to \$1,650,000 by way of a private placement of common share units. BacTech will issue up to 11,000,000 units at \$0.15 per unit. Each unit will consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of \$0.17 for a period of 360 days from the first anniversary of the date of issue. The common shares and warrants will be subject to a four month hold period.

In connection with the private placement, finder's fees of 6% cash may be paid to arm's length parties who introduce subscribers for the units. Securities Research Associates Ltd. has

identified a possible purchaser for \$1,500,000. The proceeds of the private placement will be used for the Snow Lake project in Manitoba, general working capital, and ongoing test work.

Quality Control

David J. Salari, P.Eng., the Chief Operating Officer for the Company, is the Qualified Person as defined under National Instrument 43-101 responsible for the scientific and technical work on the program.

Norman Ralph Newson, M.Sc., P.Eng., P.Geo., is the Qualified Person who has verified the geological data, including sampling, analytical and test data underlying the information or opinions related to the Mineral Resource Estimate section of this PEA report, details of which can be found in the 2011 NI 43-101 report filed on SEDAR at www.sedar.com.

Micon has prepared the PEA technical report based on Mr. Newson's resource estimate and its review of metallurgical testwork, and the estimated operating and capital costs for the Snow Lake project. Bogdan Damjanović, P.Eng., B.Sc., Christopher Jacobs, C.Eng., MIMMM, are the Qualified Persons as defined under National Instrument 43-101 responsible for the preparation of these sections of the PEA report.

BacTech profile

BacTech Environmental Corporation holds the perpetual, exclusive, royalty-free rights to use the patented BACOX bioleaching technology for the reclamation of tailings and mining waste materials. In November 2011, BacTech signed a contract with the Mines Branch of the Manitoba Department of Innovation, Energy and Mines, to remediate an arsenopyrite gold stockpile situated at the Snow Lake Mine in Snow Lake, Manitoba. The Company continues to field enquiries globally with respect to additional opportunities for remediation.

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Special Note Regarding Forward-Looking Statements

This news release contains "forward-looking information", which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that

forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

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The Canadian National Stock Exchange (CNSX) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.