

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**

February 15, 2013

3. **News Release**

A news release with respect to the material change referred to in this report was issued on February 19, 2013 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”) announced the appointment of Elena Gerasimovskaya to the Board of Directors of BacTech. The Company also announced that its Environmental Act Proposal had been posted for public comment by the Environmental Approvals Branch of the Manitoba Department of Conservation and Water Stewardship.

5. **Full Description of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”) announced the appointment of Elena Gerasimovskaya to the Board of Directors of BacTech.

Ms Gerasimovskaya graduated from Moscow State University with a specialization in bio-physics and studied at the Moscow-based campus of the Wharton Business School before attending the Moscow Higher School of Economics where she gained her MBA.

Ms Gerasimovskaya has worked for major international companies in the area of marketing, project management and research and development. Since 2010, she has worked for Maxwell Asset Management as a Director of the division specializing in bio-energy, cleantech/greentech, and is a member of the investment committee for this area of investment. She is a director of the London-based investment company, Option Three Advisory Services Limited (“Option Three”).

Option Three participated in the Company's last private placement and purchased 19.83% of BacTech in October 2012. As part of its subscription, Option Three and the Company entered into an Exclusivity Agreement pursuant to which, among other things, Option Three is entitled, subject to applicable law, to nominate a member to the Board of

Directors of BacTech for so long as it directly or indirectly holds at least 10% of the issued and outstanding common shares of BacTech.

The Company also announced that its Environmental Act Proposal had been posted for public comment by the Environmental Approvals Branch of the Manitoba Department of Conservation and Water Stewardship. Anyone wishing to make a representation on the proposal should contact the Department not later than March 15, 2013. Instructions for registering comments, along with a copy of the Proposal, are posted at:

<http://www.gov.mb.ca/conservation/eal/registries/index.html>

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**

February 22, 2013