

Early Warning Report Under National Instrument 62-103

1. Name and address of Offeror.

William Philip Seymour Richards ("**Phillip Richards**")
1 Adam Street
London, WC2N 6LE
United Kingdom

2. Designation and number, or principal amount, of securities and the offeror's security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the report, and whether it was ownership or control that was acquired in those circumstances.

On May 23, 2014, Philip Richards acquired ownership and control of 2,500,000 units ("**Units**") of BacTech Environmental Corporation (the "**Issuer**"), representing approximately 8.81% of the issued and outstanding common shares ("**Shares**") of the Issuer.

3. Designation and number, or principal amount, of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligations to file a report.

Immediately after the acquisition and as of the date of this report, Philip Richards had ownership and control over 4,000,000 Shares and 2,500,000 warrants ("**Warrants**") of the Issuer representing approximately 10.97% of the issued and outstanding Shares of the Issuer on a partially diluted basis (assuming exercise in full of all convertible securities of the Issuer held by Philip Richards).

4. Designation and number, or principal amount of securities, and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

- (i) **The offeror, either alone or together with joint actors, has ownership and control.**

See Section 3 above.

- (ii) **The offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor,**

Not applicable.

- (iii) **The offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

5. **The name of the market in which the transaction or occurrence that gave rise to the report took place.**

Not applicable.

6. **The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a report.**

CAD\$0.01.

7. **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

Philip Richards acquired the Units for investment purposes only and not with the purpose of influencing the control or direction of the Issuer. Philip Richards may in the future, subject to market conditions, make additional investments in or dispositions of the Issuer's securities. However, Philip Richards does not intend to acquire 20% or more of any class of the outstanding voting or equity securities of the Issuer.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer, entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any securities.**

Philip Richards subscribed for a total of 2,500,000 Units of the Issuer at a price of CAD\$0.01 per Unit pursuant to the terms and conditions of a subscription agreement made between himself and the Issuer. Each Unit consists of one Share in the capital of the Issuer and Warrant of the Issuer. Each whole Warrant entitles Philip Richards to acquire one additional Share of the Issuer ("**Warrant Share**") at a price of CAD\$0.05 per Warrant Share for a period of three years from the closing date. The transaction took place off the market by way of private placement and closed on May 23, 2014.

9. **The names of any joint actors in connection with the disclosure required above.**

Not applicable.

10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars of the consideration paid by the offeror.

See Section 6 above.

11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements of Part 4 in respect of the reporting issuer's securities.

Not applicable.

12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.

Not applicable.

DATED this 28th day of May, 2014.

By: "William Philip Seymour Richards"
