

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**

June 6, 2011

3. **News Release**

A news release with respect to the material change referred to in this report was issued on June 6, 2011 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech Environmental Corporation ("BacTech" or the "Company") announced the signing of a Memorandum of Understanding for a tailings project in Chihuahua, Mexico, with TW SEOP, S.C., doing business as "Teamwork".

The Company also reported that it has been notified that its shares are now trading on the Berlin Stock Exchange under the symbol "0BT". The market maker is Baader Bank AG.

5. **Full Description of Material Change**

BacTech Environmental Corporation ("BacTech" or the "Company") announced the signing of a Memorandum of Understanding ("MOU") for a tailings project in Chihuahua, Mexico, with TW SEOP, S.C., doing business as "Teamwork" ("Teamwork").

The tailings are located at the closed Avalos smelter in the city of Chihuahua. Teamwork was recently engaged by the State Government of Chihuahua through the Avalos Trust (*Fideicomiso Avalos*) to remove all the surface material from the site. Included in the material to be removed is a yet to be quantified amount of tailings containing up to 250 g/t silver, 10% zinc and 3.5% lead, slag produced from the smelting operation and concentrates that were left behind at the time of closing. BacTech cautions the reader that the potential quantity and grade of the tailings are conceptual in nature, as insufficient test work has been carried out on the tailings to define a mineral resource at this time. It is uncertain if the test work to be conducted by BacTech/Teamwork will result in the tailings being delineated as a mineral resource.

In 2007, a limited study was conducted by the state-run Mexican Geological Service on the mineralogy of the tailings. The following results were generated from samples taken at the time. The test work was completed by the Chihuahua office of the Mexican Geologic Service.

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	Element	Ag	Au	Cu	Pb	Zn
	Unit	g/t	g/t	%	%	%
Detection Limits		0.01 g/t	0.001 g/t	0.001 %	0.001 %	0.001 %
Lab Sample ID	Field Sample ID					
38089	1007	31.01	N.D	0.188	1.93	3.52
38090	1008	N.D	N.D	0.191	1.15	9.34
38091	1009	70.21	N.D	0.359	2.29	9.12
38092	1010	246.31	N.D	0.721	4.92	10.1
38093	1011	15.51	N.D	0.034	3.23	1.09
38094	1012	27.51	N.D	0.227	1.74	10.1
38095	1013	N.D	N.D	0.272	0.861	10.9
38096	1014	N.D	N.D	0.229	1.08	10.2
38097	1009-DPL	70.11	N.D	0.359	2.3	9.06
% Precision (by duplicates)		99.9	--	100	99.6	99.3

From the table above, the reader will note the high grade of zinc in some of the samples. This is due to the fact that the zinc recovery was suppressed at the original time of concentration to separate it from the silver/lead concentrate that was floated. At the time of production (>80 years ago), there were significantly fewer uses for zinc than today.

The MOU outlines the steps to be taken by both companies as they work towards signing a definitive joint venture agreement. Last week, Teamwork began using an excavator to dig to 3 - 5 meters below surface to obtain fresh, un-oxidized samples that will be concentrated at the Mexican Geological Service laboratory in Chihuahua. The generated concentrates will then be shipped to BacTech's lab in Canada where a diagnostic test and a bioleach study will be undertaken. The test work should be completed within 4-5 months.

Should the bacteria test work prove to be positive, the MOU provides that BacTech and Teamwork will negotiate, in good faith, a definitive joint venture agreement. Under the contemplated joint venture agreement, BacTech will be the operator and would own a 50% interest in the project. In addition, BacTech and Teamwork would own together, on a 50/50 basis, a bioleach facility to process concentrates from the Avalos tailings as well as other concentrates from tailings that the JV is able to secure in northern Mexico.

Adjacent to the tailings is an active rail line that will be considered to transport the Avalos tailings from the site to a new property that will be selected for the concentrator and bioleach plant. Trucking of the tailings material to the new site will also be considered.

Completion of the transaction is subject to obtaining satisfactory results from the initial test work, negotiation of a mutually acceptable definitive joint venture agreement, and receipt of board and any required regulatory approvals.

The Company also reported that it has been notified that its shares are now trading on the Berlin Stock Exchange (www.boerse-berlin.com) under the symbol "0BT". The market maker is Baader Bank AG.

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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**

June 9, 2011