

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 19, 2011

3. **News Release**

A news release with respect to the material change referred to in this report was issued on July 19. A repeating and correcting news release was issued on July 20, 2011 and subsequently filed on SEDAR.

4. **Summary of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”) released the assay results from its 33-hole sonic drill program on the Snow Lake arsenopyrite stockpile in Snow Lake, Manitoba. The program was structured to obtain a confirmation of the historic resource estimates issued previously, and to obtain a representative sample for bioleach test work. The Company is pleased to report that an average grade of 9.6 g/t **gold** was received from the 33-hole program, which is consistent with previous results.

BacTech also announced the closing of the second tranche of its private placement originally announced on June 1. An additional \$100,000 was raised through the issuance of 500,000 units at a price of \$0.20 each. Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at \$0.30 until July 16, 2012.

5. **Full Description of Material Change**

BacTech Environmental Corporation (“BacTech” or the “Company”) released the assay results from its 33-hole sonic drill program on the Snow Lake arsenopyrite stockpile in Snow Lake, Manitoba. The program was structured to obtain a confirmation of the historic resource estimates issued previously, and to obtain a representative sample for bioleach test work. The Company is pleased to report that an average grade of 9.6 g/t **gold** was received from the 33-hole program, which is consistent with previous results.

On April 25, BacTech was granted the rights by Manitoba Innovation, Energy and Mines to remediate the stockpile using the Company’s commercial bioleaching technology. The Company’s plan is to stabilize the arsenic as ferric arsenate and retain the recovered gold and silver for its own account. On May 9, BacTech began a drill program on the stockpile using a 20 m grid spacing that resulted in the drilling of 33 holes roughly 10 m

in depth. One half of the recovered core has been stored in Snow Lake, with the balance shipped to Inspectorate Exploration in Vancouver for bioleach test work which is now underway.

At site, samples were taken every 50 cm, which were shipped to the Saskatchewan Research Council in Saskatoon for fire assaying. A total of 432 samples were generated, of which 236 are to be used for a resource calculation. Given the large number of samples, the Company advises the reader to visit the BacTech website at [www.bactechgreen.com](http://www.bactechgreen.com) to view a complete list of the drill holes and related samples.

It is anticipated that the Company can now complete the National Instrument 43-101 report on the stockpile with these results. In addition, bioleach test work has begun at the Inspectorate lab in Vancouver, B.C. These results should be available in 3 - 4 months.

The drill program was supervised by, and the technical disclosures in this press release have been approved by MaryAnn Mihychuk, P. Geo., the Qualified Person responsible for this news release, and a company director.

BacTech also announced today that it has closed the second tranche of its private placement originally announced on June 1. An additional \$100,000 was raised through the issuance of 500,000 units at a price of \$0.20 each. Each unit is comprised of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at \$0.30 until July 16, 2012.

In connection with the closing of the second tranche, BacTech will pay to arm's length parties finder's fees totaling \$3,000 and issue 15,000 finder's warrants. Each finder's warrant will be exercisable into one common share at \$0.20 until July 15, 2013. The common shares and underlying securities issued pursuant to the private placement are subject to a four-month hold period which expires November 16, 2011.

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 25, 2011