



BacTech Environmental Announces Investment Protection Agreement Signing with Government of Ecuador

*Groundbreaking agreement guarantees investor rights and pledges investment stability;
Financial protection and 12-year income tax exemption secured for Tenguel project*

TORONTO, ON, May 2, 2022 – **BacTech Environmental Corporation** (CSE: BAC, OTC: BCCEF, FSE: 0BT1) (“**BacTech**” or the “**Company**”), a commercially proven, environmental technology company delivering eco-friendly bioleaching and remediation solutions for precious metal and critical mineral recovery, is pleased to announce a historic Investment Protection Agreement ("IPA") for its Tenguel gold recovery/arsenic stabilization project has been signed with the Government of Ecuador.

This groundbreaking agreement was signed and executed by Julio José Prado, Ecuador’s Minister of Production, Foreign Trade, Investment & Fisheries on April 28, 2022, in Quito. Countersigning on the Company’s behalf was Bernardo Brito, BacTech’s Country Manager. The IPA terms explicitly cover both BacTech’s prior and forthcoming investment commitments in Ecuador of up to US\$95.5 million in plant construction and gold production activity through 2024. The agreement also extends to any additional investments made by BacTech during the term, including potential plant and operations expansion.



Under the IPA agreement, the Ecuadorian State has granted BacTech and its 100% owned Ecuadorian subsidiary, BacTechverde S.A.S., the applicable protections and guarantees in accordance with the Organic Code of Production, Trade and Investments and Organic Law for Productive Promotion, Investment Attraction, Employment Generation, and Fiscal Stability. Specific protections relate to investor rights and guarantees such as: guarantee of non-discrimination; right to property; freedom of production and marketing of goods and services, free transfer abroad of profits, freedom of import and export operations; tax stability, including exemption from Income Tax for 12 years; and arbitration for dispute resolution.

The process of entering into this IPA comes on the heels of [BacTech recently receiving official plant construction permit approval](#) from the Ministry of Energy and Mines, and was greatly accelerated under the leadership of Guillermo Lasso's administration, particularly following the issuance of Decree 151, which defined the national Mining Action Plan. It involved direct negotiations with the Ministry of Production, Foreign Commerce, Investments and Fishing. In addition, approvals were obtained from the Strategic Committee for Promotion and Attraction of Investments, as well as a technical feasibility and legal report of the investment project from the the Ministry of Energy and Mines.

Ross Orr, CEO of BacTech Environmental Corp. said: "This Agreement truly underscores the level of dedication and assistance that the Ecuadorian Government continuously brings to our Tenguel project, along with a resolve to support long-term investment and advancements with green resource development. BacTech investors will enjoy increased protection in their investment as a result of this significant milestone Agreement, and we remain equally committed to mobilizing social and environmental sustainability efforts in Ecuador. Delivering against the triple bottom line of People, Planet, Profit will continue to guide how BacTech partners and operates."

About the Tenguel – Ponce Enriquez Bioleaching Project

BacTech is planning to build a new owner-operated bioleaching facility in Tenguel, near Ponce Enriquez, Ecuador, in a region where arsenic is associated with gold ore (Arsenopyrite). The Company's plan is to build a 50 tpd bioleach plant capable of treating high gold/arsenic material. A 50 tpd plant, processing feed of 1.75 ounces of gold per tonne, similar to feeds available to the Company from local miners, would produce approximately 31,000 ounces per year. Plant designs are modular and can be expanded without affecting ongoing production. The total concentrate market in the Ponce Enriquez area is estimated to be between 200 and 250 tonnes per day, allowing for increased throughput potential with a larger plant.

Key economic highlights:

- Pre-tax NPV (Net Present Value with 5% discount rate) of \$60.7M
- Pre-tax IRR (Internal Rate of Return) of 57.9%
- Annual Gold Production of 30,900 ounces
- Capital Cost of \$17M
- Bioleach Operating Cost of \$212 per tonne
- Assumed Purchase Prices of Concentrate – 65% of the contained gold value
- Pre-tax Earnings Prior to Employee Bonus – \$10.9M annually

- Estimated local employee bonus pool – \$1.64M
- Payback (70% DEBT) – 2 years

In total, there are over 90 small mines operating in the area. BacTech intends to return local miner compensation back to previous payment levels, prior to a sweeping price reduction imposed by Chinese buyers due to recent import levies on arsenic/gold concentrates entering China. BacTech continues to investigate the prospects of establishing additional modern bioleaching facilities across other areas of Ecuador, Peru, and Colombia. Where possible, the Company will partner with national and local governments, non-governmental organizations (NGOs) and others to assist with the funding of these projects and ensure that they meet the Company's high expectations not only for environmental standards, but also for the highest standards in all ESG considerations.

This press release has been reviewed by Dr. Paul C. Miller Ph.D. Chem. Eng. C.Eng. MIMM., considered a qualified expert for reporting purposes.

About BacTech Environmental Corporation

BacTech is a proven environmental technology company, delivering effective and eco-friendly bioleaching and remediation solutions to commercial operations to process and recover preferred metals (gold, silver, cobalt, and copper) smartly and safely remove and transform harmful contaminants like arsenic into benign EPA-approved products for landfill. Tapping into numerous environmental and economic advantages of its proprietary method of bioleaching, BacTech uses naturally occurring bacteria, harmless to both humans and the environment, to neutralize toxic mining sites with high-pay potential. BacTech is publicly traded on the CSE under the symbol "BAC"; on the OTC as "BCCEF"; and the Frankfurt Stock Exchange as "0BT1".

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This news release contains “forward-looking information”, which may include, but is not limited to, statements with respect to future tailings sites, sampling or other investigations of tailing sites, the Company’s ability to make use of infrastructure around tailings sites or operating performance of the Company and its projects. Often, but not always, forward-looking statements can be identified using 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 because 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.

Shares outstanding: 163,805,558

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

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the shares, nor is it a solicitation of interest from a prospective investor.