



## **BacTech Environmental Signs Letters of Intent to Supply Gold Concentrates to Tenguel Bioleaching Operation**

**LOI's propose 58 tpd of minimum 50 gpt concentrates to be supplied**

TORONTO, ON, July 13, 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 that it has signed letters of intent (“LOIs”) with several government-licensed gold mining cooperatives for initial orders to deliver up to 58 tonnes per day of arsenopyrite gold concentrates at a cutoff grade of 50 grams per tonne.

The Company will negotiate final commercial terms and execute definitive supply agreements prior to commissioning of the Tenguel bioleaching plant. The agreements cover production from 3 mines/processors and were signed on July 5th and 12th.

Strategically situated to meet the processing needs of 90+ area government-licensed gold mining producers and companies, the project will be a regional hub for BacTech’s proposed bioleaching processing plant for gold and silver recovery. Ecuador’s Ministry of Energy and Non-Renewable Resources has already issued a permit for plant construction, while preliminary Detailed Engineering plans project an initial 20-acre plant footprint that allows for future expansion opportunities without disruption to existing production.

“We’re taking proactive steps wherever we can to help solidify our plans and ensure that a steady stream of quality material will continuously feed this operation. With that said, we will not purchase any concentrates that have been pre-treated with cyanide or mercury,” said Ross Orr, President and CEO of BacTech Environmental. “We intend to capture the majority of the local small miner market by delivering environmentally friendly processing that supports fair business practices. We’re excited to showcase the sustainable benefits of bioleaching on a global stage that ultimately brings ethically sourced gold to market.”

The Ponce Enriquez mining area is characterized by very high grades of refractory arsenopyrite-rich material. BacTech will continue to selectively negotiate for the purchase of additional high gold/arsenic concentrates. The intent is to return local miner compensation back to previous payment levels prior to severe price declines resulting from Chinese government-directed import taxes placed on inbound arsenic gold concentrates. Presently, area miners have no choice but to sell their production at reduced prices to offshore buyers. BacTech intends to eliminate financial penalties charged for arsenic and consequently pay better prices for the miners’ material.

The Letters of Intent are non-binding and final commercial terms have not been executed in a definitive supply agreement.

## **About the Tenguel – Ponce Enriquez Bioleaching Project**

BacTech is planning to build a new owner-operated bioleaching facility in Tenguel, 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, assuming a base gold price @ \$1,600 per ounce:

- 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

In total, there are over 90 small mines operating in the area. 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.

## **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, nickel 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".

For further information contact:

**Ross Orr**

**President & CEO, BacTech Environmental Corporation**

416-813-0303 ext. 222,

Email: [borr@bactechgreen.com](mailto:borr@bactechgreen.com)

Website: <https://bactechgreen.com/>

Investor Presentation: <https://bactechgreen.com/investors/>

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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: 172,025,558

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