

*This Offering Document (the “Offering Document”) constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities and to those persons to whom they may be lawfully offered for sale. This Offering Document is not, and under no circumstances is to be construed as a prospectus or advertisement or a public offering of these securities. **These Securities are not offered or sold in the United States or to a U.S. Person except under applicable exemptions.***

Offering Document under the Listed Issuer Financing Exemption

March 13, 2023



PRIVATE PLACEMENT OFFERING

Up to \$1,500,000

**BacTech Environmental Corporation**  
(the “Corporation”).

<b>The Issuer</b>	BacTech Environmental Corporation 37 King St. East, Suite 409, Toronto, Canada, M5C1E9 Attention: Ross Orr, CEO info@bactechgreen.com
Markets for securities:	CSE: BAC and US-OTC: BCCEF and FRA: OBT1.F
Reporting issuer:	British Columbia, Alberta, Ontario
<b>The Offering</b> Securities offered: Price per security:	<p>Non-brokered private placement of units (“Units”) for an aggregate Purchase Price of CAD\$1,500,000 of Units (the “Offering”) at \$0.08 per Unit.</p> <p>Up to 18,750,000 Units of the Corporation, with each Unit is comprised of</p> <ul style="list-style-type: none"> <li>(i) one (1) common share in the capital of the Corporation (or its successor) (hereinafter a “Share” and collectively, the “Shares”), and</li> <li>(ii) one (1) transferable common share purchase warrant (each, a “Warrant” and collectively, the “Warrants”).</li> </ul> <p>Each whole Warrant shall entitle the holder thereof to acquire one (1) additional common share (each a “Warrant Share”) in the capital of the Corporation (or its successor) at a price of CAD\$0.12 per Warrant Share until the date that is twenty-four (24) months from the Closing Date (as defined herein).</p> <p>The Warrants are subject to an “Acceleration Right” in favour of the Corporation, which shall occur in the event that (a) the underlying shares of the Corporation close at a trading price of CAD\$0.20 per share or higher for 20 consecutive trading days, as indicated on the CSE Exchange, and (b) the Corporation shall have given notice by way of a press release that the Warrants’ expiry date will expire 10 trading days thereafter.</p>

Last Closing Price	The closing price of the Common Shares on the CSE and the OTC Markets Platform on March 10, 2023, the most recent trading day before the date hereof, was \$0.085 and US\$0.061, respectively.
Minimum/Maximum offering:	<b>There is no minimum. You may be the only purchaser.</b>
Minimum subscription amount:	Minimum subscription of \$12,000 unless otherwise agreed upon by the Corporation.
Proposed closing date(s):	This Offering is expected to close on or about March 17, 2023, or such other date as the Corporation may determine (the "Closing Date"). The Offering may close in one or more tranches.

***No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.***

The Corporation is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 – *Prospectus Exemptions*. In connection with this Offering, the Corporation represents the following is true:

- The Corporation has active operations and its principal asset is not cash, cash equivalents or its exchange listing;
- The Corporation has filed all periodic and timely disclosure documents that it is required to have filed;
- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$10,000,000;
- The Corporation will not close this Offering unless the Corporation reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution; and
- The Corporation will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Corporation seeks security holder approval.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This offering document contains certain forward-looking statements, such as statements regarding potential mineralization, resources and research results, and future plans and objectives of the Corporation, that are subject to various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements contained herein are made as of the date of this offering document and the Corporation 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.

Often, but not always, forward-looking statements can be identified by the use of 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 statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

These forward-looking statements are made as of the date of this offering document and are based upon management's beliefs, estimates and opinions. The Corporation intends to discuss in its quarterly and annual reports referred to as the Corporation's Management's Discussion and Analysis documents any

events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this offering document. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Corporation's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Other than as required by law and as otherwise stated in this offering document the Corporation does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Investors are cautioned against placing undue reliance on forward-looking statements.

## **SUMMARY DESCRIPTION OF BUSINESS**

### **What is our business?**

#### **A. The Core Business**

BacTech has a perpetual, exclusive, royalty free license to use a bioleaching technology ("BACOX") in the remediation business for mining. The BACOX technology utilizes bacteria to liberate precious and base metals and has been traditionally used to treat difficult-to-treat sulphide ores and concentrates. The business plan for the Corporation is to apply the bioleaching technology to the treatment of concentrates produced by gold mines and reclamation projects to remove harmful elements such as arsenic and sulphur from the environment, where this can be assisted by a positive cash flow from metal recovery.

Examples of metals which can be extracted include gold, silver, cobalt, nickel, copper, uranium, and zinc. Bioleaching is an environmentally friendly process technology for treating difficult-to-treat sulphide ores and concentrates. By replacing smelting and/or roasting with a bioleach process, the production of sulphur dioxide emissions and reduces the chance of acid rock drainage into the local environment.

#### **B. Mineral Processing Tenguel, Ecuador**

The proceeds of this offering are intended to support the meeting of the business objectives of the Corporation over the next 12 months. BacTech has identified the Ponce Enriquez area of southern Ecuador as an area where the Corporation's bioleaching technology can be successfully deployed for environmental processing of locally produced concentrates. Given the high levels of arsenic contained in the ore from the area, miners receive significantly reduced prices for their concentrates due to penalties applied by the buyers. The buyers tend to be from Asia where concentrates are shipped for conventional smelting and/or roasting. In October 2021, the Chinese government imposed a 13% tax on the import of high arsenic/gold concentrates.

The purchasers of concentrates in the Ponce Enriquez market have subsequently passed on this cost to the producer reducing what they pay the miner to roughly 50% of the contained gold values. The concentrates are subject to a 3% export royalty on the gold value payable by the miner to the Government of Ecuador. BacTech believes that by implementing an in-country bioleach solution it can offer superior pricing for these concentrates to the local producers, better payment terms, provide domestic Ecuadorian employment opportunities. It should be noted that the final arsenical product resulting from bioleaching, ferric arsenate, is a US Environmental Protection Agency approved land-fillable form of arsenic.

Feasibility Study for Tenguel On December 16, 2021, BacTech announced and released the executive summary results of its 3rd party produced Bankable Feasibility Study ("BFS") for the staged development of its 100% owner-operated bioleaching facility in Tenguel, Ecuador ("TE"). The BFS outlines process economics expectations and metrics pointing toward solid and long-term program viability, while considering associated capital and operating costs for the project. On February 8, 2022, BacTech released updated executive summary results of its third party produced bankable feasibility study (BFS-II)

for the staged development of its 100-per-cent-owner operated bioleaching facility in Ponce Enriquez (PE), Ecuador.

### C. Recent developments

As at September 30, 2022, the Corporation had cash of \$237,172 and a working capital deficit of \$1,064,688.

On March 1, 2023, the Corporation signed an agreement for an additional \$250,000 debenture with an existing strategic investor who completed a \$1.0 million debenture on April 21, 2022. The terms of the additional \$250,000 debenture are the same as those of the previous debenture with the aggregate balance of the debenture (being \$1.25 million) to become due on September 4, 2024. The extension of the original \$1.0 million debenture was agreed to in consideration of the debenture holder accepting a royalty of 1% of the same royalty on the Ecuador project as that announced for the May 5, 2022 and February 28, 2022 private placements, in addition to the same royalty as the proposed pyrrhotite bioleaching initiative for nickel, cobalt, sulphur, and iron waste recovery in the Sudbury Basin, as described in the Payor's press release of May 18, 2022. The effective date of these agreements is March 1, 2023.

On December 12, 2022, the Corporation closed a private placement by issuing 851,515 units of the Corporation at a price of 6.6 cents per unit for aggregate gross proceeds of \$56,200. Each unit consists of one common share and one transferrable common share purchase warrant. Each whole warrant shall entitle the holder thereof to acquire one additional common share in the capital of the Corporation (or its successor) at a price of 13.2 cents per warrant share until the date that is 24 months from the closing date.

On April 21, 2022, the Corporation announced that it had completed \$1.0 million debenture with an existing strategic investor. The terms of the convertible debentures call for a conversion at \$0.15 per share, at an annual interest rate of 8% and a term of 18 months. Net cash proceeds of the debenture were \$940,000.

On May 5, 2022, the Corporation completed the second tranche of the non-brokered private placement for gross proceeds of \$900,000 through the issuance of 4,500,000 Units. The total financing under this private placement from the two tranches is \$2,110,000. The issue price of the Units was \$0.20 per unit. Units are comprised of (i) one common share, (ii) one transferable common share purchase warrant (each whole warrant entitles the holder to acquire one additional common share at a price of \$0.30 per warrant for a period of twenty-four months from the date of closing), and (iii) a Royalty Certificate representing the Royalty Incentive. If the holder of the warrant exercises the warrant in the first six months, they will participate in an additional royalty to be issued by the Corporation. Only the people who exercise the warrant would participate in the new royalty to be issued.

During the nine months ended September 30, 2022, a total of 5,053,260 common share purchase warrants were exercised at price of \$0.05 per share, providing gross proceeds of \$252,663 to the Corporation.

### **Material facts**

There are no material facts about the securities being distributed that have not been disclosed in this Offering Document or in any other document filed by the Corporation in the 12 months preceding the date hereof.

### **What are the business objectives that we expect to accomplish using the available funds?**

The business objectives and timelines and anticipated expenditure of such business objectives are set forth in the *"Use of Available Funds"* section below.

## USE OF AVAILABLE FUNDS

### What will our available funds be upon the closing of this Offering?

Based on the Corporation's estimated working capital deficit of \$800,000 as at February 28, 2023 the estimated availability of funds, assuming completion of the maximum Offering is \$930,000. See the "Fees and Commissions" section below for additional information.

Assuming Completion of the Maximum Offering	
A. Amount to be raised by this Offering	\$1,500,000
B. Selling commissions and fees*	Nil
C. Estimated offering costs (e.g. legal, accounting and transfer agent fees)	\$ 20,000
D. Net proceeds of Offering: $D = A - (B+C)$	\$1,480,000
E. Working capital as at most recent month end (deficiency)	\$ (800,000)
F. Additional sources of funding**	\$ 250,000
<b>Total available funds: <math>G = D+E+F</math></b>	<b>\$ 930,000</b>

\*Refer to fees and commissions below.

\*\*Refer to the Recent Developments (March 1, 2023) section above.

### How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming Completion of the Maximum Offering
Completion of the detailed engineering	\$ 300,000
Completion of the detailed engineering included in working capital deficiency	\$ (300,000)
Down payment on long lead time materials	\$ 630,000
General working capital	\$ 300,000
Total: Equal to G in the Funds table above	\$ 930,000

The above-noted allocation of capital and anticipated timing represents the Corporation's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Corporation intends to expend the proceeds from this Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Corporation's ability to execute on its business plan. The Corporation's audited financial statements include a going concern note in connection with uncertainty related to certain events and conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern. Notwithstanding the going concern note, the Offering will provide the Corporation with sufficient capital to meet its ongoing liquidity requirements over the next 12 months. See the "Cautionary Statement Regarding Forward-Looking Information" section above.

### How have we used the other funds we have raised in the past 12 months?

The Corporation raised \$2,000,000 from financings in the past 12 months immediately preceding the date hereof. The funds were used for the operations of the Corporation including:

General working capital business	\$ 150,000
Land Purchase in Ecuador	\$ 1,100,000
Ecuador Project Costs	\$ 750,000

## FEES AND COMMISSIONS

**Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?**

This is a non-brokered placement. However, the Corporation may receive offers through qualified finders in connection with the Offering. The Corporation proposes to accept such subscriptions and anticipates it will pay a cash fee equal to 6% of the gross proceeds of the Offering and may issue such number of share purchase warrants ("**Finders Warrants**") equal to 6% of the total Units issued under the Offering. Each Finders Warrant exercisable at \$0.12 per share to acquire one (1) Common Share for a period of 24 months from the date of issue.

## PURCHASERS' RIGHTS

### Rights of Action in the Event of a Misrepresentation

**If there is a misrepresentation in this offering document, you have a right:**

1. to rescind your purchase of these securities with the Corporation, or
2. to damages against the Corporation and may, in certain jurisdictions, have a statutory right to damages from other persons.

**These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.**

**If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.**

**You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.**

### ADDITIONAL INFORMATION Where can you find more information about us?

Prospective investors and security holders of the Corporation can access the Corporation's continuous disclosure filings on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

For further information regarding the Corporation, visit our website at: [www.bactechgreen.com](http://www.bactechgreen.com).

Please refer to the subscription agreement to which this Offering Document is attached as Schedule "A" for additional information.

***Prospective investors should read this Offering Document and consult with their own professional advisors to assess the tax, legal, risk factors and other aspects of their investment of Units.***

**CERTIFICATE**

This offering memorandum does not contain a misrepresentation.

Dated March 13, 2023.

**BacTech Environmental Corporation**

A handwritten signature in black ink, appearing to read 'R. Orr', is positioned below the company name.

Per: Ross Orr, CEO