



## **BacTech Environmental Initiates Certification Process for US\$20M Green Bond Offering to Fund Bioleaching Gold Recovery Plant in Ecuador**

### *Sequestr Inc Engaged to Advance Project Funding*

TORONTO, ON, April 13, 2023 – [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, today announced that it is in the process of obtaining certification as an issuer of Green Bonds, with the aim of raising US\$20.0 million to finance the planned construction of its 50 tonnes per day bioleaching plant in Tenguel, Ecuador.

Upon completion, the facility is expected to be the largest and most efficient bioleaching plant in South America. BacTech uses naturally occurring bacteria, harmless to both humans and the environment, to treat gold and base metal concentrates and toxic tailings created through mining.

### **Green Bond Certification**

BacTech has enlisted the help of Toronto-based [Sequestr](#), a company that provides market infrastructure empowering companies to become industry ESG leaders, to prepare the necessary documentation for the certification application.

According to many analysts, the 2023 global Green Bond issuance is expected to rebound back to 2021 levels in and around \$600B (1) stemming from supportive government policies, more certainty in the interest rate environment and a catch-up of postponed issuances from 2022. BacTech's bioleaching technology is well-suited to meet the requirements for a green bond designation, as it has the ability to stabilize arsenic while releasing gold to safely meet the processing needs of 100+ local small gold mining cooperatives and artisanal miners. To date, the Company has spent approximately \$3 million on land acquisition, bioleach test work, a Bankable Feasibility Study, detailed engineering and permitting.

The proposed project in Tenguel will also have positive social impacts, as the prices paid to small miners have dropped dramatically since the imposition of an import tax on high-grade arsenic/gold concentrates into China. Presently, local miners have no choice but to sell their production at reduced prices to offshore buyers. BacTech intends to return local miner compensation back to previous payment levels by eliminating financial penalties charged for arsenic and consequently pay better prices for the miners' material.

“BacTech meets all the criteria needed to apply for Green Bond certification and I’m confident we are focused on the right financial instrument to develop the Tenguel project,” said Ross Orr, CEO of BacTech Environmental. “There is no question bioleaching will have a significant and positive

impact on the sustainable operations of many in the area. Local miners are also under pressure to deal with toxic tailings that eventually find their way into local rivers. Removing these elements not only brings about positive environmental results, but also frees up space for mining to continue.”

The issuance of a green certificate for a green bond is not a standard practice in the green bond market, however, some organizations have developed certification steps to provide assurance that a bond meets certain environmental criteria.

For example, the Climate Bonds Initiative (CBI) is a leading international certification scheme for green bonds. CBI reviews the aspects of the bond issuance, assesses its alignment with a set of environmental standards, and provides certification if it meets the required criteria. In general, the issuer of a green bond is responsible for ensuring that the bond meets the environmental standards set by the certification scheme.

The Company will keep the market updated about any additional Green Bond certification and Project Financing developments.

### **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 sulphide 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. BacTech has signed an agreement with the government to build a Phase 2 plant that would see the addition of 150-200 tpd of capacity capable of producing in excess of 100,000 ounces per annum.

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 \$17.0M
- Bioleach Operating Cost of \$212 per tonne
- Pre-tax Earnings Prior to Employee Bonus – \$10.9M annually
- Estimated local employee bonus pool – \$1.64M

In total, there are over 100 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 Environmental Corporation is a company that specializes in environmental technology. We use a process called bioleaching to recover metals like gold, silver, cobalt, nickel, and copper, while also safely removing harmful contaminants like arsenic. This process is eco-friendly and uses naturally occurring bacteria that are safe for both humans and the environment. By using our proprietary method of bioleaching, we are able to neutralize toxic concentrates and tailings while also creating profitable opportunities. The company is publicly traded on several stock exchanges, including the CSE, OTCQB, and Frankfurt Stock Exchange.

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(1) “Green Bond Growth to Return in 2023,” Markets 360, BNP Paribas, February 7, 2023

<https://globalmarkets.cib.bnpparibas/green-bond-growth-to-return-in-2023/>

Disclaimer: Stated goals of raising US\$20 million to finance planned construction of the project in no way guarantees process approval.

### Special Note Regarding Forward-Looking Statements

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.

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.

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