



# BacTech

Environmental

## **BacTech Signs Letter of Intent to Sell a Portion of its Annual Silver Production to Silver Crown** Adds \$4 Million in Assets to Balance Sheet

Toronto, Canada, May 31, 2024 - BacTech Environmental Corporation ("BacTech" or "the Company") has announced the signing of a Letter of Intent ("LOI") with Silver Crown Royalties ("SCRI") for the sale of a portion of its anticipated annual silver production. The silver will be produced as a by-product of its planned bioleach gold production in Tenguel, Ecuador.

Under the terms of the LOI, BacTech will deliver 90%, but no less than 35,000 ounces of silver per annum for a period of ten years. The key terms of the agreement are outlined as follows:

1. C\$1.0 million worth of SCRI units upon execution of the definitive agreement. Each unit will consist of one common share of SCRI and one 3-year warrant. The first tranche will be 2,000,000 shares and 2,000,000 common share purchase warrants (exercise price is \$0.80 for 3 years).
2. C\$1.0 million worth of SCRI shares upon successful completion of the financing to build the Tenguel plant. For the subsequent issuances, the price of issuance will be \$0.50 or the trailing Volume Weighted Average Price ("VWAP") of the Common Shares, whichever is greater.
3. C\$1.0 million worth of SCRI shares at the onset of construction.
4. C\$1.0 million worth of SCRI shares at the commencement of production.

The transaction is subject to due diligence and the signing of a definitive agreement, with the closing expected within the next three months. SCRI shares are anticipated to be listed to trade in the third quarter of this year. It is expected that each tranche will have a 4-month hold period.

"Given the relatively low contribution of silver to BacTech's revenue, we deemed it prudent to monetize it and add \$4.0 million in assets to the Company's balance sheet. At current silver prices (~US\$30), the expected annual revenue for the first phase is approximately \$1,050,000, accounting for 1.3% of total revenues. Essentially, as long as we hold the shares in SCRI, we will remain exposed to any increases in the price of silver," concluded Ross Orr, President and CEO of BacTech.

BacTech anticipates gold production ranging between 31,000 and 35,000 ounces per annum, along with silver production ranging between 45,000 and 50,000 ounces from the project's first phase. The second phase, expected to increase throughput fourfold, will significantly boost the production of both metals.

BacTech continues to work with interested parties to finance the construction of the plant. All of the necessary permits have been issued including the Environmental Impact Study and the Consultation permit. Construction time is estimated to be 12-14 months from receipt of the funding.

### **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 can 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.

### **About Silver Crown Royalties**

Founded by industry veterans, SCRi is a pre-IPO stage revenue-generating silver-only royalty company focusing on silver as byproduct credits. SCRi aims to minimize the economic impact on mining projects while maximizing returns for shareholders. SCRi presently has two sources of revenues and continues to build on this foundation, targeting additional operational silver-producing projects.

### **Stock Option Grant**

Additionally, pursuant to the Company's Stock Option Plan, the Company has granted on May 31, 2024, stock options (the "Options") to certain directors, officers, and employees to purchase an aggregate of 1,900,000 common shares (the "Optioned Shares") of the Company at an exercise price of \$0.10 per Optioned Share for a period of five years from the date of grant. Some of these options replace previously granted, now expired, options. Subsequent to the grant of such Options, an aggregate amount of 4,453,883 common shares of the Company remains available for issuance under the Company's stock option plan. Total options outstanding

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### **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.