



## **BacTech Seeks to Raise \$500,000 in a 2 Year Debenture Including a Net Smelter Royalty**

Toronto, Canada, November 8, 2017. BacTech Environmental Corporation ("BacTech" or the "Company") (CSE: BAC, OTCBB: BCCEF) today announced that it will seek to raise up to \$500,000 through a non-brokered private placement in the form of a unique debenture offering open only to accredited investors (the "New Debentures").

The 2-year New Debenture will carry a 12% interest rate with interest to be paid annually, 1,333,333 warrants per \$100,000 debenture investment exercisable at a price of 7.5 cents per warrant entitling the holder to one common share of BacTech and will expire three (3) years from closing; in addition, the New Debenture will be accompanied by a Net Smelter Royalty ("NSR") to be paid annually from the cash flow generated at the Company's Telamayu tailings project (the "Telamayu Project") in Potosi State, Bolivia .

The Telamayu Project is the object of an Association Contract between COMIBOL, the Bolivian state mining company, and BacTech has signed. The Association Contract has the following terms:

- The Telamayu tailings were created through the processing of mineralized material from various mines nearby. The tailings contain high grade tin, silver and copper verified through 57 drill holes and subsequent assaying (NI 43-101 resource calculation)
- BacTech will provide 100% of the capital to retrofit an existing mill at Telamayu, a milling town located in Potosi State, to reprocess the tailings and recover metal in the tailings
- BacTech will receive 100% of the cash flow from the project until such time the project financing debt is repaid or 18 months from the onset of production, whichever happens first
- After repayment of the project financing debt, or 18 months, the net income from the project is split 55%/45% in COMIBOL's favour
- At this stage, the Company estimates the capital needed will be in the US\$ 7-8M range but the number will be confirmed through final engineering

### **ABOUT THE NSR**

As mentioned above, the NSR accompanying the New Debentures will be based on the net revenues received by BacTech and its affiliate (EMABSA) from the Telamayu Project from the production of mineral concentrate sold with the main metal component being tin, silver and copper, less charges for treatment and handling. For greater clarity, the NSR will only be paid on BacTech's share of the annual revenue (less the aforementioned deductions). The decision on moving forward with the Telamayu Project

**BacTech Environmental Corporation**

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is not based on a feasibility study of mineral reserves demonstrating economic and technical viability, but given the nature of the project, is based on the sampling and metallurgical work done to date on the Antiguo tailings of the Telamayu Project, which is part of a scoping study that is currently in progress. BacTech's qualified person on the Telamayu Project, Dr. Paul Miller, is conducting the necessary metallurgical tests in conjunction with Jose Cordova and prepared the flowchart with the process required in remediating the specific makeup of the Antiguo tailings and maximizing the recovery of the economic value from the mineralized materials. The lack of a full feasibility study of mineral reserves would generally be a reason to avoid a production decision, since the information in a feasibility study would allow the identification of economic risks and technical risks necessary to avoid the failure of a project. At this point, the scoping study conducted and recovery rates which have been previously disclosed (see press releases of September 12, 2017 which announced the completion of the NI 43-101 report and October 25, 2017 announcing the first stage metallurgical test results) provide the company sufficient comfort to move forward with the Telamayu Project.

For purposes of illustration only, the following details the expected returns from the NSR based on production from the Telamayu Project.

For every CDN\$100,000 of New Debentures issued there will be a 0.50% NSR paid annually in US funds. Fractional NSR amounts will be issued with a minimum investment of \$10,000. Assuming the annual net revenue to BacTech is US\$10,000,000, the holder of a CDN \$100,000 debenture would receive US\$50,000 annually in NSR payments. A buy back of the NSR will be offered within 180 days after the expiry of the debenture for an amount equal to the subscription amount of the New Debenture. The New Debenture will be repaid in full in 2 years and the holder retains the NSR until the stockpile is depleted, estimated to be approximately 5 years. The NI 43-101 preliminary economic assessment announced on September 12, 2017 and the first stage metallurgical reports announced on October 25, 2017 are the basis for the certain assumptions that are considered reasonable under the circumstances. The example above has been limited to the estimated life of the tailings. This example is only intended to be illustrative of the application of the NSR component of the New Debenture and is not valid for any other purpose.

The above example is only for purposes of illustration and should not be construed as a representation of future returns or a forward-looking statement relating to the Telamayu Project.

#### **President and CEO Ross Orr comments:**

It is no secret that the junior resource sector is fighting some very strong headwinds with so many other options available to investors now. Given the interest in the previous debenture offerings, which are now concluded, we are pleased to be able to offer the New Debenture with these innovative characteristics to our investor base.

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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.

Shares outstanding 65,302,930

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.