

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: BacTech Environmental Corporation (the "Issuer").

Trading Symbol: BAC

Number of Outstanding Listed Securities: 11,351,010

Date: August 8, 2014

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The BacTech bioleaching technology can be applied to the remediation of polluted mine waste in an economically beneficial manner. The BacTech bioleaching technology has been used commercially in the past for the liberation of precious and base metals from difficult to treat mine concentrates and ores. The business plan for BacTech Environmental Corporation is to apply the BacTech bioleaching technology to abatement

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. Metals which could be extracted include gold, silver, cobalt, nickel, copper, uranium and zinc.

2. Provide a general overview and discussion of the activities of management.

On July 21, 2014, the Company announced that a shares consolidation of BacTech Environmental Corp.'s common shares on the basis of one post consolidation common share for each five pre-consolidation common shares. The name of the company did not change as a result of the consolidation.

The 56,755,027 common shares issued and outstanding prior to the consolidation, which will be effective as of July 22, 2014, will be consolidated to approximately 11,351,005 common shares. The company's currently outstanding stock options and warrants will be adjusted on the same basis, with proportionate adjustments being made to the stock option and warrant exercise prices.

On July 25, 2014, the Company announced that it came to an agreement with holders of both the 12% convertible debenture, that matured on April 26th, 2014 and the 10% bridge loan, that matured on February 15th, 2014. The total outstanding debt of \$1,337,146 as of July 31, 2014 will be paid by the issuance of 26,742,934 common shares of the Company at a price of \$0.05 per common share.

The Company continues work on the bioleach plant proposed to be built in Snow Lake, Manitoba to remediate an Arsenopyrite Residue Stockpile (ARS) located there. Work on the Closure Plan is on hold, and the Front End Engineering and Design (FEED) plans is on hold. The Company continues to hold discussions on financing the plant and the next steps to be taken with Manitoba Government

The Company continues to receive and evaluate other expressions of interest and potential projects from many different countries and companies, the latest being the project in Boliva.

On April 28, 2014 the Company released the initial flotation results for the Telamayu tailings project located in Potosi state, Bolivia. It was noted that roughly 50 per cent of the sulphides in the sample had been oxidized. Two rougher kinetic flotation tests were carried out on the sample at different grinds to evaluate the tailings' response to flotation. Results from these preliminary tests showed that after four stages of rougher flotation approximately 15 per cent of the material were removed to a bulk rougher concentrate assaying 31 to 35 ounces per ton silver (60 per cent to 64 per cent recovery), 4.2 per cent to 4.4 per cent (33 per cent to 35 per cent recovery) copper and 0.65 per cent arsenic. Additional tests will be undertaken to attempt to improve the recoveries for the silver component.

In addition to silver and copper the assays showed significant values reported for tin, antimony and bismuth. Gravity work will also be undertaken to complement this preliminary flotation work. The copper recovery into concentrate at first glance would appear to be disappointing, but upon further investigation it appears that approximately

one-half of the copper was extracted before flotation into the grind/wash water. If this is the case then recoveries of up to 80 per cent were achieved if the wash water is included in the calculation. That is to say an operation may include a washing process from which the soluble copper is recovered prior to flotation.

BacTech will continue to investigate different approaches combining gravity for free silver and tin with flotation for silver and copper.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Not applicable.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

No change in the redeemable convertible debenture in the gross amount of \$585,000, except as noted below.

In 2013, the Company arranged a \$600,000 bridge loan to complete its technical preparations for the Snow Lake project. The Company used the funds to complete its front end engineering (F.E.E.D.) study which remains an integral part of the Snow Lake Project financing package. BacTech has used the underlying contract with the Province of Manitoba as collateral for the loan. All loans are subject to interest at the rate of ten percent per annum, and was to be repaid initially by November 20, 2013, subject to the Company's right to extend repayment which is now until the end of April 2014. In addition the loans are convertible into common stock in the context of the price of BacTech shares at the time of filing the loan agreement with the CNSX. . No change except as noted below.

Both the bridge loan and convertible debentures are due. On July 25, 2014, the Company announced that it came to an agreement with holders of both the 12% convertible debenture, that matured on April 26th, 2014 and the 10% bridge loan, that matured on February 15th, 2014. The total outstanding debt of \$1,337,146 as of July 31,

2014 will be paid by the issuance of 26,742,934 common shares of the Company at a price of \$0.05 per common share.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

15. Provide details of any loans to or by Related Persons.

Not applicable.

16. Provide details of any changes in directors, officers or committee members.

Tim Lewin is now a director of the Company.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Not applicable.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 8, 2014

Name of Director or Officer: Louis R. Nagy

Signature: "Louis R. Nagy"

Official Capacity: Chief Financial Officer

Issuer Details	For Month	Date of Report
Name of Issuer	End	YY/MM/DD

BacTech Environmental Corporation	July 2014	August 8, 2014
Issuer Address 50 Richmond Street East, Suite 300		
City/Province/Postal Code Toronto, Ontario, M5C 1N7	Issuer Fax No. (416)596-9840	Issuer Telephone No. (416)813-0303
Contact Name Louis R. Nagy	Contact Position Chief Financial Officer	Contact Telephone No. (416) 813-0303 x224
Contact Email Address lnagy@bactechgreen.com	Web Site Address www.bactechgreen.com	