

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BAC

Number of Outstanding Listed Securities: 39,088,361

Date: June 7, 2012

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 May 3, 2012, the Company closed the second tranche of a convertible debenture financing that was announced on April 19, 2012, for proceeds of \$160,000. Total gross proceeds for the financing were \$585,000 and 2,925,000 warrants were issued.

The financing consisted of units priced at \$10,000 per unit and the Company issued 58.5 units in total. Each unit consisted of a \$10,000 principal amount redeemable convertible debenture and 50,000 Series E common share purchase warrants. The debentures bear interest at 12 per cent per annum payable quarterly. The term of the debenture is 2 years and matures April 25, 2014. BacTech has the option to redeem the debentures at par at any time beginning 120 days from issuance. At any time prior to maturity or redemption, the debentures are convertible at the option of the holder into common shares at a conversion price of \$0.20. The Company paid finder's fees in the amount of \$35,200 and issued 210,000 finder's warrants. All warrants entitle the holder to purchase one common share at a price of \$0.20 until April 25, 2014.

On May 17, 2012 the Company announced that it had obtained approval from Corporacion Minera de Bolivia, the state-owned mining company for Bolivia ("COMIBOL") and has begun sampling tailings from the Telamayu mill site in Bolivia. A total of approximately 200 kg of material will be collected and shipped to Lima, Peru where it will undergo a) sample characterization, b) assaying, c) size analysis, d) mineralogy, and e) concentration by flotation. The final flotation concentrates will be shipped to Inspectorate Labs in Vancouver, Canada for bioleach test work. The assay results will be released upon receipt prior to the commencement of the bioleach test work. The sampling program is being supervised by SGS Laboratories.

In addition, the Company continued work on its preliminary economic assessment (PEA) being completed by Micon International for the Snow Lake, Manitoba arsenopyrite stockpile project. The Company expects to have this completed within the next month.

The Company continues to receive and evaluate other expressions of interest and potential projects from many different countries and Companies.

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.

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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.

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The financing consisted of units priced at \$10,000 per unit and the Company issued 58.5 units in total. Each unit consisted of a \$10,000 principal amount redeemable convertible debenture and 50,000 Series E common share purchase warrants. The debentures bear interest at 12 per cent per annum payable quarterly. The term of the debenture is 2 years and matures April 25, 2014. BacTech has the option to redeem the debentures at par at any time beginning 120 days from issuance. At any time prior to maturity or redemption, the debentures are convertible at the option of the holder into common shares at a conversion price of \$0.20. All warrants entitle the holder to purchase one common share at a price of \$0.20 until April 25, 2014.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common shares	N/A	N/A	N/A
Warrants	800,000	2 nd tranche of Convertible Debenture Financing closed May 3, 2012 – exercise price \$0.20, 4 month hold, warrant expiry date April 25, 2014	N/A
Finders' warrants	60,000	2 nd tranche of Convertible Debenture Financing closed May 3, 2012 – exercise price \$0.20, 4 month hold, warrant expiry date April 25, 2014	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

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.
Not applicable.
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:

- 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.
- As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
- 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 June 7, 2012.

Louis R. Nagy
 Name of Director or Senior
 Officer
"Louis R. Nagy"
 Signature
Chief Financial Officer
 Official Capacity

Issuer Details		For Month	Date of Report
Name of Issuer		End	YY/MM/DD
BacTech Environmental Corporation		May 2012	June 7, 2012
Issuer Address			
50 Richmond Street East, Suite 300			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Toronto, Ontario, M5C 1N7		(416)596-9840	(416)813-0303
Contact Name		Contact Position	Contact Telephone No.
Louis Nagy		Chief Financial Officer	(416) 813-0303 x224
Contact Email Address		Web Site Address	
lnagy@bactechgreen.com		www.bactechgreen.com	