# FORM 7

## MONTHLY PROGRESS REPORT

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

Trading Symbol: BAC

Number of Outstanding Listed Securities: 48,755,027

Date: August 8, 2013

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.

*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 nearing completion, and the Front End Engineering and Design (FEED) plans should be finalized in August. The Company continues to hold discussions on financing the plant.*

*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.

*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, as previously disclosed.*

*On July 3, 2013, the Company announced it had arranged a $600,000 bridge loan that will enable the Company to complete its technical preparations for the Snow Lake project. Specifically, the Company plans to use 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. The agreement calls for BacTech to receive up to CAD$600,000 comprised of (a) an initial $300,000 within 10 days of closing, and (b) a second $300,000 can be drawn after BacTech has confirmed that the underlying contract with the Province of Manitoba can be used as collateral for the loan. All loans are subject to interest at the rate of ten percent per annum, and are to be repaid by November 20, 2013 subject to the Company's right to extend repayment. 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. The Company can make an early repayment of the loans provided it issues 1,000,000 share purchase warrants to the lender exercisable 1 year from the date of the first closing at a price of $0.10 per share.*

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

| Security | Number Issued | Details of Issuance | Use of Proceeds(1) |
|---|---|---|---|
| None | | | |
| | | | |

*(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:

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, 2013

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

| ***Issuer Details*** Name of Issuer | For Month End | Date of Report YY/MM/DD August 8, 2013 |
|---|---|---|

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|---|---|---|
| BacTech Environmental Corporation | July 2013 | |
| Issuer Address<br>50 Richmond Street East, Suite 300 | | |
| City/Province/Postal Code<br>Toronto, Ontario, M5C 1N7 | Issuer Fax No.<br>(416)596-9840 | Issuer Telephone No.<br>(416)813-0303 |
| Contact Name<br>Louis R. Nagy | Contact Position<br>Chief Financial Officer | Contact Telephone No.<br>(416) 813-0303 x224 |
| Contact Email Address<br>lnagy@bactechgreen.com | Web Site Address<br>www.bactechgreen.com | |