

FORM 51-102F3

**MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102**

1. **Name and Address of Company**

BacTech Environmental Corporation
50 Richmond Street East, Suite 300
Toronto, Ontario M5C 1N7

2. **Date of Material Change**

July 3, 2013

3. **News Release**

A news release with respect to the material change referred to in this report was issued on July 3, 2013 and subsequently filed on SEDAR.

4. **Summary of Material Change**

The Company secures Financing.

5. **Full Description of Material Change**

The Company announced that it has arranged a 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.

6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

For further information, contact Ross Orr, President and Chief Executive Officer of BacTech Environmental Corporation at (416) 813-0303.

9. **Date of Report**

July 4, 2013