

BacTech and Pala Sign a Term Sheet to Pursue the Development of Tailing Projects

Toronto, Canada, December 19, 2014 – BacTech Environmental Corporation ("BacTech", CSE: BAC, OTC: BCCEF, WKN: A1H4TY)) is pleased to announce that it has signed a term sheet with Pala Investments Limited ("Pala") to pursue the development of tailing projects using its proprietary bioleaching technology.

BacTech has identified a pipeline of tailing projects that can benefit from the Company's strong metallurgical capabilities and proven proprietary bioleaching technology. BacTech's targeted tailing projects will have low capital requirements and are relatively quick to bring to production. The first project of that pipeline is the Telamayu tailings reclamation project in Bolivia ("Telamayu"). Telamayu consists of two separate tailings areas (Antigua and Nuevo) earmarked for remediation and is the result of many years of toll treating ores from four regional mines.

The term sheet contemplates a senior debt facility of up to US\$10M to financie 100% of the capital requirements of bringing Telamayu into production. BacTech plans to conduct two drilling programs at Telamayu; firstly, a more detailed evaluation of the Antigua tailings to optimize the design of the processing plant; and secondly, to confirm the resource of the Nuevo tailings. Upon satisfactory results from the drilling programs, BacTech intends to build a 500 tpd gravity-flotation processing plant that will produce a copper cement concentrate and a silver concentrate.

Ross Orr, President and CEO of BacTech stated; "We are very pleased to be working with Pala to develop tailing projects and hope to advance Telamayu quickly, moving BacTech to a positive cash flow position, which is very important in these challenging markets."

BacTech Profile

BacTech Environmental Corporation holds the perpetual, exclusive, royalty-free rights to use the patented BACOX bioleaching technology for the reclamation of tailings and mining waste materials. The Company's principle focus is a high-grade silver/copper tailings project called Telamayu located in Atocha, Bolivia in partnership with COMIBOL, the state mining group. The Company continues to field enquiries globally with respect to additional opportunities for remediation including licensing transactions for the technology.

Pala Profile:

Pala Investments is an investment company focused exclusively on the mining sector with a strong track record of successful investments and value creation. Pala's team has extensive experience within the sector and seeks to assist companies in which it has long-term shareholdings by providing strategic advice and innovative solutions in development, production, turnaround and advanced exploration situations. Pala invests across all geographies and in all mining commodities as well as mining services and consumables. For more information, visit www.pala.com.

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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 by the use of 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 as a result 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 forwardlooking statements.

Shares outstanding 41,393,944

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.