

September 8, 2026

Company Description

BacTech Environmental Corporation (“BacTech” or “the Company”) is a Canadian cleantech company focused on applying bioleaching technology to difficult mineral concentrates, historic tailings, and other mining-related waste streams. Management describes the process as “our bugs eat rocks,” reflecting the use of naturally occurring bacteria to oxidize sulphide minerals, liberate valuable metals, and facilitate the stabilization of contaminants such as arsenic through an atmospheric, water-based process. BacTech holds an exclusive, royalty-free license to use BACOX® bioleaching technology in mining-waste remediation applications. The technology has previously been deployed commercially at gold-processing plants in Western Australia, Tasmania, and China. BacTech is advancing a planned owner-operated bioleach facility in the Tenguel-Ponce Enríquez region of Ecuador to process refractory, arsenic-bearing gold concentrates, while pursuing early-stage historic tailings opportunities in Kazakhstan and Peru. In parallel, the Company is developing its patent-pending Zero Tailings™ technology, which combines bioleaching with downstream processing to recover metals and convert acidic, iron-bearing waste streams into potentially saleable products, including magnetite, ammonium sulphate fertilizer, recovered base metals, and silica-based material. BacTech intends to commercialize its technologies through Company-developed facilities, partner-funded programs, and potential licensing arrangements.

Key Points

- BacTech is developing bioleaching and mine-waste treatment technologies designed to recover valuable metals from difficult-to-treat concentrates and historic tailings while reducing environmental liabilities. Its principal development project is a planned owner-operated BACOX® bioleach facility in Ecuador, with its patent-pending Zero Tailings™ platform intended to convert acidic, iron-bearing waste streams into potentially saleable metals, magnetite, ammonium sulphate fertilizer, and silica-based material.
- BacTech recently strengthened its Zero Tailings™ intellectual property position through national patent filings in Canada and the U.S. and a subsequent provisional patent update incorporating reverse osmosis pre-concentration and mechanical vapor recompression evaporation. The enhancement is intended to improve the economics of producing specification-grade ammonium sulphate fertilizer from dilute mining-derived streams and broaden the technology’s potential applications across hydrometallurgical operations.
- BacTech is advancing its planned Tenguel facility while expanding its international project pipeline. In September 2026, the Company (1) signed an agreement for a Di-As-funded, three-stage evaluation of BACOX® treatment of historic sulphide tailings in Kazakhstan and (2) launched a Peruvian initiative through BacTech Verde Peru S.A.C. to identify potential tailings-reprocessing opportunities. Both initiatives remain at an early stage, and no commercial development decisions have been made.
- BacTech is led by an experienced management and technical team. For the six months ended June 30, 2026, the Company reported net income of C\$504,596, driven by gains on Silver Crown securities, and ended the period with C\$25,057 in cash and C\$924,000 in marketable securities. Management continues to pursue financing and strategic partnerships to advance BacTech’s technology portfolio and international project pipeline.



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Ticker (Exchange)	CSE: BAC
Recent Price (09/08/26)	C\$0.05
52-week Range	C\$0.0250 - 0.0950
Shares Outstanding	238.9 million
Market Capitalization	C\$11.944 million
Average volume	115,360
Insider Ownership (>5%)	17%
Institutional Ownership	5%
EPS (Qtr. ended 06/30/26)	C\$0.00
Employees	8

FINANCIAL SUMMARY

BacTech Environmental Corporation filed its unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026, on August 27, 2026. For the second quarter, BacTech reported net income and comprehensive income of C\$403,347, compared with a net loss and comprehensive loss of C\$398,624 for the corresponding quarter in 2025. The Company had no recurring revenue and recorded a net loss of C\$387,144 before investment-related gains, compared with C\$415,392 in the prior-year quarter. The second-quarter result included a C\$640,724 unrealized gain from the revaluation of its Silver Crown Royalties Inc. warrants and a C\$149,767 realized gain from the sale of Silver Crown shares.

For the six months ended June 30, 2026, BacTech reported net income and comprehensive income of C\$504,596, compared with a net loss and comprehensive loss of C\$868,782 for the corresponding period in 2025. The reported income was attributable to investment-related gains rather than operating performance. BacTech recorded a net loss of C\$708,301 before these gains, which was more than offset by a C\$898,000 unrealized gain from the revaluation of its Silver Crown warrants and a C\$314,897 realized gain from the sale of its remaining Silver Crown shares.

For the second quarter alone, total expenses decreased to C\$387,144 from C\$415,392, despite operating and administrative expenses increasing to C\$383,643 from C\$335,453. The decrease in quarterly total expenses primarily reflected lower finance charges and the absence of project expenditures. Total expenses for the six-month period declined to C\$708,301 from C\$768,550, as lower finance charges and project expenditures more than offset an increase in operating and administrative costs. Operating and administrative expenses increased to C\$699,555 from C\$626,554, driven primarily by higher professional fees, shareholder information and filing costs, and share-based compensation. The financial statements include going-concern disclosure, reflecting BacTech's continued reliance on additional financing to support operations and project development.

BACTECH ENVIRONMENTAL LAUNCHES PERU INITIATIVE FOR TAILINGS REPROCESSING

On September 3, 2026, BacTech launched an initiative to evaluate opportunities to reprocess historic mine tailings in Peru using its BACOX® bioleaching technology. Through its newly established wholly owned subsidiary, BacTech Verde Peru S.A.C., the Company plans to review the Peruvian government's inventory of historic tailings and identify deposits containing gold, silver, and copper, particularly arsenic-rich material potentially suited to bioleaching.

In its September 6, 2026 management newsletter, BacTech further stated that it has initially identified two nearby tailings areas for review. Trujillo-based country manager Neil Tito Acosta Mariños is expected to obtain and evaluate available information concerning these potential targets. If the information supports further work, management anticipates seeking an option or other access arrangement before undertaking systematic drilling and additional technical work that could support the preparation of an NI 43-101-compliant technical report.

The initiative remains at an early exploratory stage. BacTech has not secured access to either potential target, entered into an option, government, or commercial agreement relating to a specific tailings project, completed a drilling program, established a current mineral resource, or demonstrated the technical or economic viability of applying BACOX® or Zero Tailings™ to Peruvian material.

BACTECH SIGNS AGREEMENT WITH DI-AS TO EVALUATE BACOX® BIOLEACHING OF HISTORIC TAILINGS IN KAZAKHSTAN

On September 1, 2026, BacTech signed a Technical Consulting and Testing Agreement with Kazakhstan-based Di-As Company Ltd. to evaluate the application of its BACOX® bioleaching technology to historic sulphide tailings at the Staroe facility in the Zyryanovsk district, now Altay City, in East Kazakhstan. Di-As is a Kazakhstan-based participant in the development of the Zyryanovsk/Altay project and is funding the current staged BACOX® technical program.

The Di-As-funded program has an estimated value of US\$350,000 to US\$425,000 and is expected to take approximately 26 to 34 weeks. The agreement becomes effective 30 days after the formal commissioning of Di-As's new carbon-in-leach processing plant in Altay City and includes an 18-month longstop date. Management currently expects BacTech technical consultant Paul Anderson to visit the site in October 2026. Mr. Anderson previously lived and worked in Kazakhstan and has bioleaching experience in the country.

The first stage will include a review of available technical information, a site assessment, and diagnostic testing of samples collected under the supervision of a Qualified Person. The second stage will involve bench-scale biological oxidation testing at ALS Laboratories in Perth, Western Australia, comparing gold and silver recoveries following BACOX® treatment with those achieved through direct cyanidation while also examining sulphide oxidation and arsenic stabilization. Subject to favorable results, the third stage will comprise preliminary engineering and cost work for a nominal 50-tonne-per-day BACOX® circuit, with a potential modular expansion to approximately 100 tonnes per day and possible integration with Di-As's new processing infrastructure. This work will be an internal preliminary study and will not constitute a Preliminary Economic Assessment, Pre-Feasibility Study, or Feasibility Study under National Instrument 43-101.

According to BacTech's September 6, 2026 newsletter, management describes the basic contemplated commercial terms, if the technical program is successful and the parties decide to proceed, as a US\$3.0 million BACOX® license fee and a 5% royalty associated with metals produced using BACOX®. Management further stated that Di-As could elect to incorporate a Zero Tailings™ facility once that technology is commercially available and that revenue generated through the Zero Tailings™ facility would be subject to the same 5% royalty. The license fee and royalties remain contingent on successful testwork, a positive development decision, and the completion or effectiveness of any required commercial arrangements. BacTech has not established that metals will be produced or that any license fee or royalties will be received.

A January 2022 protocol from Kazakhstan's State Reserves Committee records a historical estimate for the Staroe facility of 36.57 million tonnes grading an average of 1.16 grams per tonne gold and 6.62 grams per tonne silver, together with zinc, lead, and copper. BacTech has not independently verified these figures, and the estimate is neither a current mineral resource nor a mineral reserve under NI 43-101.

BACOTECH ANNOUNCES THE PASSING OF DIRECTOR JAY RICHARDSON

On July 27, 2026, BacTech announced the passing of James A. "Jay" Richardson, a director of the Company and chair of its Audit Committee, following an illness. Mr. Richardson brought extensive finance and corporate governance experience to BacTech, having served as a partner with KPMG in the United Kingdom and Clarkson Gordon/Arthur Young in Canada and Singapore. He also held leadership and board positions with more than a dozen publicly listed companies, including serving as chairman of Argus Corporation and interim CEO of Liberty Mines. BacTech stated that its board would address the composition of the Audit Committee in due course.

ZERO TAILINGS™ PATENT UPGRADE STRENGTHENS COMMERCIALIZATION STRATEGY

On May 26, 2026, BacTech announced an update to its Zero Tailings™ provisional patent application covering the addition of a two-stage concentration process that combines reverse osmosis pre-concentration with mechanical vapor recompression evaporation. The enhancement is intended to reduce water content and energy requirements while supporting the production of dry, specification-grade ammonium sulphate fertilizer and allowing process water to be recycled. Building on BacTech's April 2026 Canadian and U.S. patent filings, the expanded flowsheet is designed to convert acidic, iron-bearing mining streams into potentially saleable products, including ammonium sulphate, magnetite, and recovered base metals. BacTech believes the technology could be applied across several mining and hydrometallurgical processes and commercialized through a capital-light licensing model with regional or project-level partners.

RECENT COMPANY DEVELOPMENT SUMMARY

September 3, 2026—BacTech launched an initiative to identify opportunities to reprocess historic mine tailings in Peru using BACOX® bioleaching. Through its newly established subsidiary, BacTech Verde Peru S.A.C., the Company will review the government’s tailings inventory, focusing particularly on arsenic-rich material. The initiative is preliminary, with no specific project, access agreement, or technical or economic viability established.

September 1, 2026—Signed an agreement with Kazakhstan-based Di-As Company Ltd. for a Di-As-funded evaluation of BACOX® bioleaching at the Staroe historic tailings facility. The three-stage program, valued at US\$350,000 to US\$425,000 and expected to take 26 to 34 weeks, will include site assessment, laboratory testing, and, subject to favorable results, preliminary engineering for a 50-tonne-per-day circuit expandable to approximately 100 tonnes per day. The site has a historical estimate of 36.57 million tonnes grading 1.16 grams per tonne gold and 6.62 grams per tonne silver; however, BacTech has not independently verified the estimate and is not treating it as a current resource or reserve under NI 43-101. No plant-construction decision has been made.

July 27, 2026—Announced the passing of James A. “Jay” Richardson, a director and chair of the Company’s Audit Committee. Mr. Richardson had extensive finance and corporate governance experience, including senior roles with KPMG and numerous publicly listed companies. BacTech stated that its board would address the Audit Committee’s composition in due course.

May 26, 2026—Announced an upgrade to its Zero Tailings™ provisional patent application, adding reverse osmosis pre-concentration and mechanical vapor recompression evaporation to the flowsheet. The enhancement is intended to improve the economics of producing specification-grade ammonium sulphate fertilizer from dilute mining-derived streams, while strengthening the Company’s intellectual property position around an end-to-end process that is designed to convert acidic, iron-bearing waste streams into potentially saleable products, including fertilizer, magnetite, and recovered base metals. BacTech stated that the upgrade broadens the technology’s potential licensing market across hydrometallurgical operations that generate acidic waste streams, including copper and nickel processing, HPAL, rare earth leaching, refractory gold pre-treatment, and acid mine drainage remediation.

April 21, 2026—Announced that it would participate in the inaugural Market Movers Investor Summit on May 5, 2026, at the historic Bank of New York building on Wall Street. The Company stated that management had scheduled one-on-one meetings with qualified institutional investors, family offices, fund managers, high-net-worth individuals, and sell-side analysts to discuss BacTech’s bioleaching technology, commercial-scale plant initiatives, and broader strategy for environmentally responsible recovery of critical and precious metals from tailings and concentrates.

April 15, 2026—Announced that it has submitted national patent filings in Canada and the U.S. for its proprietary Zero Tailings™ technology, following its original international PCT patent application filed on April 7, 2025. The technology is designed to treat sulphide and iron tailings using BacTech’s bioleaching platform combined with downstream processing technologies to recover saleable products, including magnetite, ammonium sulphate fertilizer, critical minerals, and silica. BacTech stated that the process is intended to eliminate residual waste streams while converting mining tailings into marketable industrial and agricultural products. The Company views the Canadian and U.S. filings as an important step toward protecting and commercializing the technology in key mining jurisdictions, where tailings management, environmental remediation, and critical mineral recovery remain growing regulatory and ESG priorities.

BacTech also issued a clarification noting that MIRARCO is a co-inventor (15%) of the Zero Tailings™ technology and that MIRARCO’s contribution had been omitted from the earlier announcement. The clarification also acknowledged MIRARCO, Dr. Nadia Mykytczuk, and other research, government, institutional, and industry partners involved in advancing the platform.

March 23, 2026—Announced a 12-month investor awareness initiative with AGORACOM to broaden BacTech’s reach through AI-generated marketing content and a new Verified Discussion Forum for moderated engagement with shareholders. The campaign is intended to help communicate the Company’s bioleaching, Tenguel, and Zero Tailings™ story to a wider investor audience. Under AGORACOM’s cashless shares-for-services program, BacTech may issue up to C\$125,000 plus HST in shares over the term. Separately, the Board approved 4.6 million stock options exercisable at C\$0.10 per share for five years.

February 27, 2026—Announced that Dr. Paul Miller would present the Company’s patent-pending Zero Tailings™ technology at the 2026 PDAC Annual Convention as part of a Skarn Associates-hosted session focused on technology, sustainability, and economics in mining. The presentation was expected to highlight the potential of Zero Tailings™ to recover critical and precious metals from historic and active tailings while converting waste into stable, environmentally benign products, with the goal of reducing long-term environmental liabilities and reclamation costs while creating potential economic value. The Company also noted that it would maintain a presence at PDAC through booth #2751 in the South Pavilion, underscoring BacTech’s efforts to increase industry visibility for both its Zero Tailings™ platform and its broader bioleaching business, including its planned Tenguel facility in Ecuador.

February 24, 2026—BacTech announced that it would attend the 2026 PDAC Convention in Toronto from March 1-4, where the Company planned to showcase its bioleaching and Zero Tailings™ technologies at Booth #2751. The Company noted that Dr. Paul Miller, inventor of BacTech’s Zero Tailings™ patent application, would be available at the booth throughout the event to discuss the technology’s potential applications in critical minerals recovery and environmentally responsible mine waste management.

Company Background

BacTech Environmental Corporation (“BacTech” or “the Company”) is a Toronto-based cleantech company focused on the environmentally responsible recovery of valuable metals from difficult mineral concentrates, historic tailings, and other mining-related waste streams. Listed on the Canadian Securities Exchange (CSE: BAC), OTCQB (BCCEF), and Frankfurt Stock Exchange (FSE: OBT1), BacTech applies bioleaching technology that uses naturally occurring bacteria to oxidize sulphide minerals, liberate metals such as gold, silver, copper, cobalt, nickel, and zinc, and facilitate the stabilization of contaminants such as arsenic. As an atmospheric, water-based process, bioleaching offers an alternative to high-temperature treatment methods, such as roasting and pressure oxidation.

BacTech holds a perpetual, exclusive, royalty-free license to use BACOX® bioleaching technology in mining-waste remediation applications. According to the Company, BACOX® has been used at four commercial plants built under prior licensing arrangements. BacTech is now pursuing a broader commercialization strategy that includes Company-developed facilities, partner-funded evaluation programs, and potential technology-licensing arrangements.

BacTech’s technology development is supported by applied research relationships, including its collaboration with MIRARCO, the research arm of Laurentian University in Sudbury, Ontario. The Company has also received support through Ontario research and innovation programs. In September 2026, BacTech expanded its international pipeline by signing an agreement for a partner-funded BACOX® evaluation in Kazakhstan and launching a Peruvian initiative to identify potential historic tailings-reprocessing opportunities.

The BacTech Technology

BACOX® is designed to treat difficult sulphide materials, including arsenic-bearing gold concentrates and historic tailings. Concentrates are combined with water and nutrients and introduced into a series of aerated bioleach tanks, where naturally occurring bacteria oxidize sulphide minerals over several days. This oxidation releases encapsulated metals for downstream recovery and allows dissolved arsenic to be converted into a more stable mineral form.

For gold-bearing material, the treated solids can pass through a conventional recovery circuit to produce doré, a semi-refined gold-and-silver bullion product that is subsequently sent to a refinery. Process solutions are neutralized, solids are separated, and water can be recycled within the plant. The process is intended to improve metal recovery while reducing the environmental risks associated with reactive sulphides and arsenic-bearing residues.

BacTech’s principal development project is a planned owner-operated bioleaching facility in the Tenguel-Ponce Enríquez district of Ecuador. The proposed facility would process refractory, arsenic-bearing gold concentrates purchased from small and mid-sized producers in the region. The first phase is designed to process approximately 50 tonnes of concentrate per day, with a potential modular expansion to approximately 250 tonnes per day. As of June 30, 2026, BacTech reported that detailed engineering was approximately 90% complete. The Company subsequently described the Tenguel project as fully permitted. Construction remains dependent on completing the remaining development work and securing project financing.

In September 2026, BacTech signed a Technical Consulting and Testing Agreement with Kazakhstan-based Di-As Company Ltd. to evaluate BACOX® treatment of historic sulphide tailings at the Staroe facility in East Kazakhstan. The Di-As-funded program, valued at an estimated US\$350,000 to US\$425,000, is expected to take approximately 26 to 34 weeks and includes site assessment, laboratory testing, and, subject to favorable results, preliminary engineering for a nominal 50-tonne-per-day circuit with a possible modular expansion to approximately 100 tonnes per day. The agreement becomes effective 30 days after the formal commissioning of Di-As’s new carbon-in-leach plant and includes an 18-month longstop date. No construction or commercial-development decision has been made.

BacTech also launched a Peruvian initiative through its newly established wholly owned subsidiary, BacTech Verde Peru S.A.C. The Company intends to review the Peruvian government's inventory of historic tailings and identify potential reprocessing opportunities, particularly arsenic-rich material containing gold, silver, and copper. The initiative remains exploratory, and BacTech has not secured access to a specific project, entered into a related government or commercial agreement, or established the technical or economic viability of applying its technology to Peruvian tailings.

Zero Tailings™: Turning Mine Waste into New Value

BacTech is developing its patent-pending Zero Tailings™ technology to recover residual metals and convert acidic, iron-bearing mining streams into potentially saleable industrial and agricultural products. The proposed platform combines bioleaching or other leaching processes with downstream treatment technologies intended to separate iron from sulphur, recover remaining metal values, recycle water, and reduce the volume of residual waste requiring long-term management.

Potential product streams include magnetite or hematite, ammonium sulphate fertilizer, recovered base and precious metals, silica-based material, and recycled process water. By generating value from components that would otherwise require neutralization, disposal, or long-term storage, the technology is intended to improve the economics of processing low-grade tailings and other mining-related waste streams. Zero Tailings™ remains under development and has not been commercially proven.

Management has also stated that the Zero Tailings™ process could potentially be configured to produce sulphuric acid instead of ammonium sulphate fertilizer, depending on project requirements and local market conditions. According to BacTech, this configuration could be relevant to uranium producers in Kazakhstan that require sulphuric acid for their operations. This potential application remains conceptual and has not been commercially demonstrated.

BacTech filed an international Patent Cooperation Treaty application in April 2025 covering elements of the Zero Tailings™ process. In June 2025, the Company filed a provisional patent application to expand the technology beyond bioleaching to other acidic, iron-bearing hydrometallurgical streams. BacTech subsequently entered the Canadian and U.S. national patent phases in April 2026. BacTech identifies MIRARCO as a 15% co-inventor of the technology.

In May 2026, BacTech updated its provisional patent application to incorporate reverse osmosis pre-concentration followed by mechanical vapor recompression evaporation. These established industrial processes are intended to remove water before evaporation, reduce the energy required to concentrate dilute ammonium sulphate solutions, and support the production of dry, specification-grade fertilizer crystals. Water recovered during concentration could also be recycled within the processing circuit.

The proposed flowsheet could have applications beyond historic tailings, including copper and nickel sulphide processing, nickel laterite high-pressure acid leaching, heap and dump leaching, rare earth processing, refractory gold pretreatment, phosphoric acid production, and acid mine drainage remediation. BacTech plans to continue evaluating the technology with research organizations, laboratories, mining companies, and potential commercial partners.

What the Technology Could Provide

The Zero Tailings™ platform is designed to generate several potential products and environmental benefits from mining-related waste streams:

Iron. Iron recovered as magnetite or hematite could potentially be sold into ironmaking, steel, pigment, or other industrial markets, subject to meeting applicable product specifications.

Base and precious metals. Bioleaching can release nickel, cobalt, copper, zinc, gold, silver, and other metals contained within sulphide minerals for subsequent recovery, depending on the composition of the material being treated.

Fertilizer. Sulphur-bearing process solutions could be treated with ammonia and processed through concentration, evaporation, and crystallization to produce ammonium sulphate fertilizer.

Water reuse. Water recovered during treatment and concentration could be recycled within the processing circuit, potentially reducing freshwater requirements and wastewater volumes. In addition, BacTech believes that contaminated pit water from old mines could be used as process water thereby recovering the soluble metals and producing a clean water discharge for agriculture.

Silica and construction materials. Subject to chemical and physical specifications, stabilized silica-rich residues could potentially be used as sand, aggregate, or other construction material.

The nature, quantity, quality, and value of any products recovered would depend on the characteristics of the feed material and the results of metallurgical testing, engineering, and economic analysis.

Tenguel Economics and Zero Tailings™ Growth

BacTech's principal proposed commercial asset remains the Tenguel bioleaching project in Ecuador. Current Company materials contemplate an initial 50-tonne-per-day facility with a projected capital cost of approximately US\$22 million and potential annual production of approximately 35,000 ounces of gold. At a Company-assumed gold price of US\$3,500 per ounce, management projects annual revenue exceeding US\$120 million and an after-tax payback period of approximately one year.

A potential second phase would expand processing capacity to approximately 250 tonnes per day and, according to current Company projections, increase annual production to more than 100,000 ounces of gold. BacTech projects a combined capital cost of approximately US\$80 million for the two phases and potential revenue exceeding US\$350 million.

Importantly, these figures are current management projections and incorporate assumptions that differ from those used in the Company's earlier feasibility study, including higher gold prices, throughput, production, and capital requirements. Actual results would depend on concentrate availability and grades, purchase terms, recoveries, commodity prices, construction and operating costs, permitting, financing, and operating performance.

The Tenguel project is supported by an Investment Protection Agreement with the Government of Ecuador. BacTech has also established a sustainable bond framework that received a second-party opinion from Moody's. That opinion addresses the framework's alignment with sustainable-finance principles and does not independently verify the Tenguel project's technical feasibility, economics, or future environmental performance.

Beyond Tenguel, BacTech is seeking to expand its development pipeline through the Kazakhstan testing program, the Peru tailings initiative, continued development of Zero Tailings™, and potential partnerships or licensing arrangements. These programs provide additional opportunities for applying BacTech's technology, although each remains subject to testing, engineering, permitting, financing, definitive agreements, and demonstration of commercial viability.

Corporate and Capital Structure

BacTech Environmental Corporation was incorporated on October 5, 2010, under the Canada Business Corporations Act following a restructuring that separated the environmental-remediation business from its former mining parent. Through a Plan of Arrangement, BacTech received a perpetual, exclusive, royalty-free license to use BACOX® bioleaching technology in mining-waste remediation applications.

The Company's operating subsidiaries include BacTech Verde S.A.S., its wholly owned Ecuadorian subsidiary, and BacTech Verde Peru S.A.C., its newly established wholly owned Peruvian subsidiary. BacTech Verde S.A.S. holds the Company's interests in the Tenguel project and related Ecuadorian assets. The Kazakhstan evaluation is being pursued through an agreement with Di-As rather than through a BacTech-owned local project.

BacTech has historically funded its activities through equity placements, debt arrangements, asset sales, and project-level royalty and streaming agreements. In November 2025, the Company settled a C\$1.4 million convertible debenture, C\$290,187 in accrued interest, and a C\$120,000 demand loan. The debenture holder received 19.5 million BacTech common shares, 19.5 million three-year warrants exercisable at C\$0.15 per share, and an additional 1% royalty. The additional royalty increased the holder's total royalty to 2% on any BacTech projects.

BacTech also entered into a royalty transaction with Silver Crown Royalties Inc. involving a portion of the anticipated silver production from the proposed Tenguel facility. Under the agreement, Silver Crown would receive, for 10 years, the cash equivalent of the greater of 90% of the silver processed at the facility or a minimum annual payment equivalent to 35,000 ounces of silver. Royalty payments would commence following the start of commercial production, and BacTech has no payment obligation unless and until the facility is built, commissioned, and enters commercial production.

In exchange for the royalty, Silver Crown provided BacTech with initial consideration of C\$1.0 million in Silver Crown units, consisting of 100,000 common shares and 100,000 common share purchase warrants. Each warrant entitles BacTech to acquire an additional Silver Crown common share at C\$16.00 for 36 months from issuance. BacTech is also entitled to receive 100,000 special warrants upon successful financing of the Tenguel project and 200,000 special warrants upon commencement of commercial production. These special warrants would be exercisable into an equivalent number of Silver Crown common shares for no additional payment. If the applicable milestone is not achieved within the period specified in the agreement, the corresponding tranche would expire. The future milestone consideration has not been recognized in BacTech's financial statements because achievement of the applicable milestones remains uncertain.

During the six months ended June 30, 2026, BacTech sold its remaining 46,200 Silver Crown common shares for net proceeds of C\$661,740 and recorded a realized gain of C\$314,897. At period-end, BacTech no longer held Silver Crown common shares but retained warrants valued at C\$924,000. The Company also retained its contractual rights to the potential future milestone-based consideration.

As of June 30, 2026, BacTech had approximately 238.9 million common shares outstanding, C\$25,057 in cash, C\$924,000 in marketable securities, and total liabilities of approximately C\$3.1 million. The Company had no recurring revenue and reported a working capital deficit of approximately C\$1.2 million. Its financial statements include substantial going-concern uncertainty, and the advancement of Tenguel, Zero Tailings™, and other proposed projects remains dependent on additional financing, strategic partnerships, and successful commercialization efforts.

Risks and Disclosures

This Company Update has been prepared by Crystal Research Associates, LLC (“CRA”) based on information provided by BacTech Environmental Corporation (“BacTech” or “the Company”), as well as publicly available information released by the Company through news releases, annual and interim filings, SEDAR+ filings, Canadian Securities Exchange filings, and other public disclosure documents. CRA has not independently verified such information. BacTech is responsible for the accuracy and completeness of information provided to CRA and of the Company’s own public disclosures.

Certain information contained in this Update may constitute forward-looking statements or forward-looking information within the meaning of applicable Canadian and U.S. securities laws. These statements may relate to future events, business plans, project development, financing activities, technology commercialization, financial performance, or other future expectations. Forward-looking statements are based on assumptions and expectations that may prove to be incorrect, and actual events or results may differ materially from those expressed or implied due to known and unknown risks, uncertainties, and other factors, including those described in BacTech’s public disclosure documents filed on SEDAR+ and with the Canadian Securities Exchange.

Information regarding companies other than BacTech has been prepared from publicly available sources and has not been independently verified by BacTech or CRA. Certain summaries of activities, technologies, financial results, and corporate developments have been condensed for readability and to aid the reader in gaining a general understanding. CRA assumes no obligation to update the information contained in this report.

CRA has been compensated by BacTech for its services in preparing the initial report and related quarterly updates, consisting of cash compensation of sixty thousand U.S. dollars. Investors should carefully review BacTech’s public disclosure documents, including its filings on SEDAR+ and with the Canadian Securities Exchange, before making an investment decision. The risks described in BacTech’s public filings are not the only risks the Company faces. Additional risks and uncertainties not presently known to BacTech, or that the Company currently believes to be immaterial, may also adversely affect its business, financial condition, results of operations, project development plans, or share price.

This report is published solely for informational purposes and does not constitute an offer to sell or a solicitation of an offer to buy any security. Past performance is not indicative of future results. For more complete information about BacTech, including the risks associated with an investment in the Company, investors should consult BacTech’s public filings and contact the Company at (416) 813-0303 x222.



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