

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BAC

Number of Outstanding Listed Securities: 238,870,128

Date: August 6, 2026

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 Exchange 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 Exchange 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 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.

BacTech Environmental Corporation ("BacTech" or "Company") continues to pursue arsenopyrite opportunities in Ecuador and other Andean countries that allow for the use of the Company's proprietary bioleach technology.

2. Provide a general overview and discussion of the activities of management.

On July 27, 2026, BacTech aannounced with great sadness the passing of James A. "Jay" Richardson, a Director of the Company and Chair of its Audit Committee, on July 25, 2026, following an illness.

GENERAL CORPORATE

The BacTech bioleaching technology can be applied to the processing of high arsenic concentrates and 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 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.

ECUADOR

BacTech has identified the Ponce Enriquez area of southern Ecuador as an area where the Company's bioleaching technology can be successfully deployed for environmental processing of locally produced concentrates from mining and tailings reclamation. Given the high levels of arsenic contained in the ore from the area, miners receive significantly reduced prices for their concentrates due to penalties applied by the buyers. The buyers tend to be from Asia where concentrates are shipped for conventional smelting and/or roasting. In October 2021, the Chinese government imposed a 13% tax on the import of high arsenic/gold concentrates. The purchasers of concentrates in the Ponce Enriquez market have subsequently passed on this cost to the producer reducing what they pay the miner to roughly 50% of the contained gold values. The concentrates are subject to a 3% export tax on the gold value payable by the miner to the Government of Ecuador. BacTech believes that by implementing an in-country bioleach solution it can offer superior pricing for these concentrates to the local producers, better payment terms, and provide domestic Ecuadorian employment opportunities. It should be noted that the final arsenical product resulting from bioleaching, ferric arsenate, is a US Environmental Protection Agency approved land-fillable form of arsenic.

Feasibility Study for Tenguel

On December 16, 2021, BacTech announced and released the executive summary results of its 3rd party produced Bankable Feasibility Study (“BFS”) for the staged development of its 100% owner-operated bioleaching facility in Tenguel, Ecuador (“TE”). The results point toward a very robust and economically compelling project with strong performance metrics.

South American mining and metallurgical engineering and development firm EPCM Consultores S.R.L. (“EPCMC”) was engaged in July 2021 to undertake the independent feasibility study for the Company’s proposed bioleach processing plant located in Tenguel, strategically situated for easy accessibility to Ponce Enriquez (“PE”) mining operations. The BFS outlines process economics expectations and metrics pointing toward solid and long-term program viability, while considering associated capital and operating costs for the project.

On February 8, 2022, BacTech released an updated executive summary of its third party-produced bankable feasibility study (BFS-II) for the staged development of its 100-per-cent-owner-operated bioleaching facility in Ponce Enriquez (PE), Ecuador. BFS economics have been updated to reflect improved optimization works allowing an increased throughput and improved average gold head grade. All dollar figures are in U.S. dollars unless otherwise indicated. This press release updates the results reported in the December 16, 2021, press release. The latest estimates are reflected in the data that follow:

Updated key economic highlights (based on \$1600 gold and \$18 silver)

- Pre-tax net present value (NPV) with 5-per-cent discount rate of \$60.7 million (up 29.4 per cent from \$46.9 million);
- Pre-tax internal rate of return (IRR) of 57.9 per cent (up from 48 per cent);
- Annual gold production of 30,900 ounces (up 19 per cent from 25,900 ounces);
- Capital cost of \$17.0 million (increased from \$15.5 million).
- Bioleach operating cost of \$212 per tonne.
- Assumed purchase prices of concentrate -- 65 per cent of the contained gold value.
- Pre-tax earnings prior to employee bonus -- \$10.9 million (up from \$8.94 million);
- Estimated local employee bonus pool -- \$1.64 million.
- Payback (75-per-cent debt) -- two years.
- All calculations above are based on a gold price of US\$1600 per oz.
- At current price of gold at **US\$4000 per oz**, anticipated after tax earnings are **\$31.0M**

The recent increase in gold prices on world markets to over \$4000 US per ounce appears to suggest that the economics of the Project have improved significantly above what is portrayed in the above summary.

The feasibility study contemplates the purchase of concentrates, high in both arsenic and gold levels, from mines located in the Ponce Enriquez area of SW Ecuador. In total, there are over 100 small mines operating in the area. BacTech intends to return local miner compensation back to previous payment levels, prior to a sweeping price reduction

imposed by Chinese buyers due to recent import levies on arsenic/gold concentrates entering China.

The Company has acquired 100-acre parcel of land to be used for the operations in Tenguel which formally closed in September 2022. The 100-acre farm contains a commercial cocoa tree plantation. Given the first phase of the project will only make use of 20-acres, it was decided that the current employees of the farm will be offered the opportunity to continue to grow and harvest cocoa and sell the output for their own account. Once the expansion is undertaken all the workers will be offered positions in the expanded facility.

During development of this project, the Company granted certain shareholders, a joint 3% Net Smelter Royalty from the Ecuador plant in Tenguel once it is in production in exchange for participating in a private equity placement. 66.7% of the royalty is eliminated once the Investor has received a 200% after tax return on their investment.

Next Steps for Tenguel

Using the flow sheet developed by the BFS, the final engineering piece of this phase of the project would be detailed engineering. It is our intent to rely heavily on the designs from previous plants that BacTech has built which addressed material with very similar mineralogical structure.

The actual budget for construction, procurement and materiel is estimated to be \$US 22M (at a time when the single most significant element, stainless steel cost, had been elevated by supply chain constraints resulting from Covid epidemic considerations, now substantially relaxed, with a resulting expectation now of overall cost reduction) with a 20% variance, based on costs from past projects. The detailed engineering will allow the Company to reduce the variance in the budget. At the end of this process BacTech will actively pursue contractual concentrate feeds from local sources and quite possibly from neighboring countries such as Peru. Once the Company successfully completes the initial plant, BacTech will immediately begin work on Phase 2 of the project, a simple modular expansion of capacity. The current collective output from the Ponce Enriquez area is estimated to be 200-250 tpd of gold/arsenic concentrates once fully functional. BacTech signed an International Protection Agreement ("IPA") that provides for international arbitration and a 12-year tax holiday. BacTech must complete Phase 2 to ensure the IPA is valid.

Permitting Tenguel

On October 3, 2022, the Company announced that it had received official ESIA (Environmental and Social Impact Assessment) approval from the Ministry of Environment, Water, and Ecological Transition. This key approval marks a significant milestone with the process taking approximately seven months.

In November 2023 BacTech was granted a Consultation Permit after working with the local community to explain the project. The Company received 100% support for the project.

At this point in time 100% of the permits have been obtained. The Company has applied to repurpose our project's land package as industrial from agricultural. The final steps in the approval process will be completed by June 2026..

Intellectual Property

On April 5th, 2025, BacTech filed a patent for the treatment of pyrrhotite mineralization. Pyrrhotite is a very volatile iron-sulphide mineral that oxidizes rapidly once exposed to oxygen. The patent covers the bioleaching of the material and the subsequent following steps to produce a pure magnetite (steel) and an organic ammonium fertilizer (agriculture) for sale in addition to precipitating the contained base metals. For additional information please refer to the press release dated April 5, 2025.

On June 18, 2025, BacTech filed a provisional patent application to expand its zero-waste processing technology beyond bioleaching. This new application builds on a full patent application submitted in April, which focused on treating iron and acid streams from bioleaching.

On April 15, 2026, BacTech announced the national patent filings of its proprietary Zero Tailings™ technology in both Canada and the United States. The filings, made April 14, 2026, follow the company's original international (PCT) patent application filed on April 7, 2025, and represent a major step in commercializing a process that the company believes will fundamentally change how the global mining industry manages waste

On May 26, 2026, BacTech announced the updated its provisional Zero-Tailings patent application to include a two-stage concentration process designed to improve the production efficiency of ammonium sulphate generated from acidic mining-related process streams.

The revised patent application incorporates reverse osmosis preconcentration and mechanical vapour recompression evaporation technologies into the Zero-Tailings process flow sheet. These technologies are intended to reduce energy consumption associated with ammonium sulphate crystallization and support the production of specification-grade fertilizer products.

The Company considers this development to have the potential to improve mineral processing operations by enabling the recovery of materials from waste, which may contribute to more sustainable practices. Over the next year, BacTech will seek potential industry partners to test and develop this technology across different platforms, with the goal of moving toward a full patent and a commercial technology.

Other

The Company continues to receive and evaluate other expressions of interest and potential projects from many different countries and companies, the latest being the project Peru, Canada and Ecuador.

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 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 trademarks.

10. *Not applicable.*

11. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

Not applicable

12. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable.

13. 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.

14. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Not applicable.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
NA			

16. Provide details of any loans to or by Related Persons.

Not applicable.

17. Provide details of any changes in directors, officers, or committee members.

See Section 2 – Press Release July 27, 2026.

18. 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 is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 6, 2026

Name of Director or Officer: Louis R. Nagy

Signature: *signed "Louis R. Nagy"*

Official Capacity: Chief Financial Officer

Issuer Details	For Month	Date of Report
Name of Issuer	End	YY/MM/DD
BacTech Environmental Corporation	July 2026	26/08/06
Issuer Address		
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City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
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