

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

MICROCOAL TECHNOLOGIES INC.
PO Box 28185
West Pender Street PO
Vancouver, BC V6C 3T7

2. Date of Material Change:

The material change described in this report occurred on May 6, 2014.

3. News Release:

On May 6, 2014, MicroCoal Technologies Inc. (the "**Company**") issued a news release through the facilities of FSC Filing Services Canada.

4. Summary of Material Change:

On May 6, 2014, the Company announced that it closed the second tranche of its non-brokered private placement (the "**Private Placement**") in the amount of US\$300,000. Pursuant to the Private Placement, the Company issued 1,500,000 units (each, a "**Unit**") of the Company at a subscription price of US\$0.20 per Unit. The Company also announced that it had appointed Jan Kindler as Vice President of Business Development.

5. Full Description of Material Change:

On May 6, 2014, the Company announced that it closed the second tranche of the Private Placement in the amount of US\$300,000. Pursuant to the Private Placement, the Company issued 1,500,000 Units of the Company at a subscription price of US\$0.20 per Unit.

Each Unit is comprised of one common share of the Company and one common share purchase warrant (the "**Warrants**"). Each Warrant will entitle the holder thereof to acquire one common share at an exercise price of US\$0.30 for up to 12 months following the date of issuance, subject to the terms thereof. In connection with the first tranche, the Company paid a cash commission equal to 10% of the gross proceeds raised from the sale of the Units to an arm's length party in the aggregate amount of approximately US\$30,000 and granted finder's warrants to purchase Units equal to 10% of the Units placed.

The Company intends to use the net proceeds from the Private Placement to advance construction on the Company's first commercial facility in Indonesia for upgrading low rank coals and for general corporate purposes and working capital. All Units, common shares and Warrants issued under the Private Placement will be subject to a four-month hold period from the closing date, in accordance with the rules and policies of the Canadian Securities Exchange and applicable Canadian securities laws and such other restrictions as may apply under foreign securities laws.

The Company also announced that it had issued 140,000 common shares of the Company at a deemed price of \$0.18 per share to settle amounts owing to a former consultant of the Company. The common shares are subject to a four-month hold period from the date of issue.

The Company announced the appointment of Jan Kindler as Vice President of Business Development, effective immediately. Mr. Kindler played a crucial role in furthering the Company's business development objectives in Asia last year, including brokering the Company's first commercial contract in Indonesia. Mr. Kindler, a former attorney and member of the Law Society of British Columbia, graduated from the University of British Columbia Faculty of Law

before pursuing a career structuring cross-border commercial transactions in Canada, Hong Kong, and the People's Republic of China. Mr. Kindler speaks Mandarin Chinese in addition to being fluent in Polish.

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

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer:

The following executive officer of the Company is knowledgeable about the material change and this report and may be contacted respecting the material change and this report:

Ping Shen
Chief Financial Officer
Telephone: (778) 995-5833

9. Date of Report:

May 6, 2014