

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 20, 2014.

3. News Release:

On May 20, 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 20, 2014, the Company announced that it closed the third 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.

5. Full Description of Material Change:

On May 20, 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.

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.

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 26, 2014