

**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 August 14, 2014.

**3. News Release:**

On August 14, 2014, MicroCoal Technologies Inc. (the "**Company**") issued a news release through the facilities of FSC Filing Services Canada.

**4. Summary of Material Change:**

On August 14, 2014, the Company announced that it closed the sixth tranche of its non-brokered private placement (the "**Private Placement**") in the amount of US\$552,000. Pursuant to the Private Placement, the Company issued 2,760,000 units (each, a "**Unit**") of the Company at a subscription price of US\$0.20 per Unit.

**5. Full Description of Material Change:**

On August 14, 2014, the Company announced that it closed the sixth tranche of the Private Placement in the amount of US\$552,000. Pursuant to the Private Placement, the Company issued 2,760,000 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 sixth tranche, the Company paid a cash commission equal to 10% on a portion of the gross proceeds raised from the sale of the Units to an arm's length party in the aggregate amount of US\$5,200 and granted 26,000 finder's warrants to purchase Units.

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:**

August 14, 2014