

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

MICROCOAL TECHNOLOGIES INC.
Suite 2300, 1066 West Hastings Street
Vancouver, BC V6E 3X2

2. Date of Material Change:

The material change described in this report occurred on January 20, 2015.

3. News Release:

On January 21, 2015, MicroCoal Technologies Inc. (the "**Company**") issued a news release through the facilities of FSC Filing Services Canada.

4. Summary of Material Change:

The Company announced that it has closed its investment agreement (the "**Investment Agreement**") with Satellite Overseas (Holdings) Limited ("**SOHL**"), an affiliate of Cadila Pharmaceuticals Limited ("**Cadila**"), and has signed a joint venture agreement (the "**JV Agreement**") with Cadila for the Republic of India.

5. Full Description of Material Change:

On January 21, 2015, the Company announced that it closed its previously announced Investment Agreement with SOHL, an affiliate of Cadila.

Pursuant to the Investment Agreement, the Company issued 79,046,666 common shares to SOHL at a price of \$0.15 per share for aggregate gross proceeds of \$11.857 million. All shares issued under the investment are 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 Investment Agreement also provides that SOHL will be given certain anti-dilution and participation rights to subscribe for certain future share issuances by the Company for so long as it holds at least 5% of the outstanding common shares, providing SOHL the option to maintain its *pro rata* percentage ownership in the Company. SOHL will also have the right to appoint a director to the board of the Company, which right will continue for so long as SOHL maintains ownership of 5% or more of the Shares.

The Company has also signed the JV Agreement with Cadila for the Republic of India announced in the Company's news release dated January 16, 2015.

Under the terms of the JV Agreement, the Company and Cadila have agreed to form a corporation domiciled in India ("**JVCO**") in which the Company and Cadila will each hold a 50% interest. JVCO is expected to carry on its activities throughout India, and its key functions are planned to include (a) establishing and operating a testing/demonstration facility for the purpose of demonstrating the cost effectiveness of the Company's technology to companies in the coal mining or coal-based electricity generation industries in India, (b) marketing and promoting the

Company's technology throughout India; and (c) developing one or more commercial-scale facilities in India based upon or incorporating the Company's technology.

Pursuant the JV Agreement, the parties have agreed to enter into an intellectual property license agreement (the "**License Agreement**") whereby the Company has agreed to contribute its technology to JVCO by granting JVCO a fully paid up license to, among other things, research and develop and commercialize the Company's intellectual property in India. The License Agreement will permit JVCO to establish a testing/demonstration facility in India, utilize the Company's trademark to market the technology in India and develop or sell commercial facilities.

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:

Larry Siegel
Chief Executive Officer
Telephone: 778-995-5833

9. Date of Report:

January 30, 2015