

FORM 7

MONTHLY PROGRESS REPORT

Name of CNQ Issuer: MicroCoal Technologies Inc. (the "Issuer").

Trading Symbol: MTI

Number of Outstanding Listed Securities: 175,500,076

Date: Month of February 2015

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 the CNSX 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 CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's on-going 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 CNSX 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.

During the month of February, the Issuer made progress towards the completion of its demonstration plant currently under construction in King William County, Virginia (the "Virginia Plant"). Up-to-date photos of the project site are available for viewing on the Issuer's website at: www.mticoal.com/pilot-plant/

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

MicroCoal[®], and the MicroCoal Technology

The Issuer owns a 100% interest in MicroCoal Inc. (“MCI”). MCI developed a process using microwave energy and related process technologies to transform coal and other minerals into higher quality and higher value industrial materials (the “MicroCoal Technology”). The MicroCoal Technology is a proprietary on-site process that dehydrates coal at a power plant prior to combustion. The MicroCoal Technology is expected to help accelerate the existing trend of fuel switching to low-rank Powder River Basin (western) coals.

The Issuer is developing the first commercial MicroCoal[®] project in Indonesia and management of the Issuer is assessing opportunities to market and develop additional commercial projects in the context of the Issuer’s overall goals and research and development objectives. In August 2014, the Issuer opened a research and development facility in Gaithersburg, Maryland (the “Facility”) as a new, temporary research and development facility to replace the Issuer’s former facility in Golden, Colorado. The Issuer has also entered into a lease for land in King William County for a commercial-scale MicroCoal[®] demonstration plant (the “Virginia Plant”), which the Issuer expects to demonstrate the full start to finish process of a commercial-scale MicroCoal[®] reactor. In October 2014, the Issuer entered into a joint venture agreement in China (the “China JV Agreement”), announcing at the same time the opening of a research and development center in Songjiang, China. In January 2015, the Issuer entered into a joint venture agreement in India, announcing at the same time the closing of an investment agreement whereby the Issuer issued 79,046,666 common shares for aggregate gross proceeds of USD \$10 million. Management of the Issuer has pursued these steps, combined with initiatives underway to simplify the Issuer’s corporate structure, with the intention of positioning the Issuer to further its research and development activities as it works towards developing its “Generation 2.0” reactors.

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.

During the month of February, the Issuer designed and began manufacturing a proprietary analytical device to measure the penetration of microwaves on various target materials at different concentrations. This initiative is part of the Issuer’s R&D program to optimize throughput and efficiency of the MicroCoal[®] processing reactors.

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.

None

5. Describe any new business relationships entered into 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.

None

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.

None

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.

None

8. Describe the acquisition of new customers or loss of customers.

None

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.

None

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

None

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

None

12. 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.

A Small Claims Court action initiated by a former consultant of the Issuer was formally dismissed on December 23, 2014. During the month of February 2015, the claimant challenged the dismissal and the claim was reinstated. The Issuer believes that the underlying claim is without merit.

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

None.

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

None.

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

None.

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

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Issuer are detailed in Item 17 *Risk Factors* of the Issuer's Form 2A - Listing Statement dated December 23, 2010.

The Issuer is currently deploying its technology from pilot stage to commercial scale and expanding its research and development efforts. This intended expansion of the Issuer's activities may require the Issuer to incur additional costs in order to pursue its objectives, and research and development of "Generation 2.0" MicroCoal® reactors may face unexpected delays. The only present source of funds available to the Issuer is through the sale of its shares. Even if the results of the Issuer's research and development activities are promising, the Issuer may not have sufficient funds to conduct further research and development necessary to commercially deploy "Generation 2.0" MicroCoal® reactors. While the Issuer has in the past generated additional working capital through equity offerings, there is no assurance that any such funds will be available in the future on terms acceptable to the Issuer or at all. Future equity financings may result in dilution to shareholders.

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

Dated March 2, 2015.

Larry Siegel
Name of Director or Senior Officer

"/Larry Siegel"/
Signature

CEO
Official Capacity

Issuer Details <i>Name of Issuer</i> MicroCoal Technologies Inc.	<i>For Month End</i> February 2015	<i>Date of Report</i> <i>YY/MM/DD</i> 2015/03/02
<i>Issuer Address</i> Suite 2300, 1066 West Hastings Street		
<i>City/Province/Postal Code</i> Vancouver, BC V6E 3X2	<i>Issuer Fax No.</i> n/a	<i>Issuer Telephone No.</i> 778-995-5833
<i>Contact Name</i> Larry Siegel	<i>Contact Position</i> CEO	<i>Contact Telephone No.</i> 818-203-3139
<i>Contact Email Address</i> lsiegel@mticoal.com	<i>Web Site Address</i> www.mticoal.com	

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