MicroCoal® Files Amended Financial Statements and MD&A

Vancouver, B.C., Canada – May 7, 2015 – MicroCoal® Technologies Inc. (CSE: MTI) (Frankfurt: OFS.F) (OTC: CFQSF) ("MicroCoal" or the "Company") announced today that the Company has filed amended unaudited condensed consolidated financial statements ("Financial Statements") and management's discussion and analysis ("MD&A") for the three and six month period ended December 31, 2014, copies of which are available under the Company's profile on SEDAR at www.sedar.com.

The restatement related to certain corrections in the application of International Financial Reporting Standards ("IFRS") during the period. As a result of the restatement, loss per basic and diluted share increased from $nil to $0.01 for the three months ended December 31, 2014, and, for the six months ended December 31, 2014, basic and diluted per share amounts were revised from a loss of $0.01 to earnings of $nil. The adjustments primarily reflect changes to non-cash accounting values.

Subsequent to the original filing of the Financial Statements and MD&A for the period ended December 31, 2014, the Company identified certain changes necessitated by IFRS applicable to certain financial instruments, such as convertible loans, share purchase warrants with an exercise price in a currency different than the Company's functional currency and stock options granted to employees and consultants.

In addition, the Company also restated the comparative figures in the Financial Statements for the three and six months ended December 31, 2013 for certain matters identified and adjusted for in the annual audit of the consolidated financial statements for the year ended June 30, 2014. These matters primarily related to adjustments related to accounting of equity instruments issued for settlement in debt and loans, as well as share purchase warrants with an exercise price in a currency different than the Company's functional currency.

The effect of the restatement is detailed as follows:

Consolidated Statement of Financial Position	December 31, 2014 *As previously reported*	*Restatement*		December 31, 2014 *As restated*
Cash	$ 32,844	$ 39	(a)	$ 32,883
Property and Equipment	$ 736,788	$ 96,415	(a)	$ 833,203
Derivative Liability	$ (182,694)	$ (863,926)	(b) (c) (d)	$ (1,046,620)
Loans Payable	$ (1,139,592)	$ 300,731	(c)	$ (838,861)
Share Capital	$ (19,259,617)	$ 257,799	(c) (e)	$ (19,001,818)
Share-Based Payment Reserves	$ (2,708,789)	$ 10,421	(d) (f)	$ (2,698,368)
Deficit	$ 22,804,687	$ 315,098	all	$ 23,119,785
Cumulative Other Comprehensive Loss	$ 222,892	$ (116,577)	(a)	$ 106,315

Statement of Comprehensive Loss	December 31, 2014 *As previously reported*	*Restatement*		December 31, 2014 *As restated*
Accretion Expense	$ -	$ 77,596	(c)	$ 77,596
Foreign Exchange Loss	$ (3,442)	$ (76,152)	(c)	$ (79,594)
Interest On Notes Payable	$ 28	$ 5,625	(g)	$ 5,653
Consulting, Management And Director Fees	$ 471,660	$ 47,313	(g)	$ 518,973
Office, Premise And Other	$ 19,226	$ 10,815	(g)	$ 30,041
Professional Fees	$ 128,085	$ 31,492	(g)	$ 159,577
Share-Based Compensation	$ -	$ 26,284	(f)	$ 26,284
Loss On Settlement Of Debt And Lawsuit	$ -	$ 34,000	(e)	$ 34,000
Fair Value Change In Derivative Liability	$ (493,173)	$ 190,194	(b) (c) (d)	$ (302,979)
Exchange Loss On Translation Of Foreign Operations	$ 157,967	$ (116,577)	(a)	$ 41,390
Comprehensive Loss	$ (335,246)	$ (230,590)	all	$ (565,836)

(a) The restatement was due to the translation of foreign operation in one subsidiary which was not done in the previously filed interim financial statements.

(b) The restatement related to errors in accounting for warrants issued in a foreign currency which should be accounted for as a derivative liability and remeasured at period end with any change in fair value going to profit and loss.

(c) The restatement was attributable to the accounting for the convertible loan. The conversion feature was previously accounted for as equity, however, since the conversion price was in a foreign currency other than the Company's functional currency, the conversion feature violated fix- for- fixed settlement and should be accounted for as a derivative liability, with fair value adjustments being recorded through profit and loss. The discount on the loan is amortized and recorded in the profit and loss as accretion expense. In addition, the foreign exchange on the loans was overstated in the previously filed interim financial statements, which was restated to correct amount.

(d) The restatement related to non-employee options with an exercise price in a foreign currency other than the Company's functional currency; the exercise feature violated fix- for- fixed settlement and should be accounted for as a derivative liability, with fair value adjustments being recorded through profit and loss.

(e) The restatement related to shares issued to settle lawsuits with two former consultants, which was recorded in share-based payment reserve in error.

(f) The Company issued stock options to its former chief financial officer for her past services, the fair value of which was not previously recorded. Additionally, the Company granted cashless exercise on those options as consideration for her future services during the transition period. The fair value of the cashless exercise was recorded in share-based payment reserve in error.

(g) The restatement related to reclassification of expenses to proper accounts.

Statement of Comprehensive Loss	6 months ended December 31, 2014 *As previously reported*	*Restatement*		6 months ended December 31, 2014 *As restated*
Accretion Expense	$ -	$ 77,596	(c)	$ 77,596
Foreign Exchange Loss	$ 2,147	$ (76,152)	(c)	$ (74,005)
Interest On Notes Payable	$ 587	$ 11,250	(g)	$ 11,837
Consulting, Management And Director Fees	$ 633,346	$ 47,313	(g)	$ 680,659
Office, Premise And Other	$ 55,742	$ 10,815	(g)	$ 66,557
Share-Based Compensation	$ 10,626	$ 15,658	(f)	$ 26,284
Gain On Settlement Of Debt And Lawsuit	$ (1,528,843)	$ 34,000	(e)	$ (1,494,843)
Fair Value Change In Derivative Liability	$ (432,126)	$ 194,618	(b) (c) (d)	$ (237,508)
Exchange Loss On Translation Of Foreign Operations	$ 154,594	$ (116,577)	(a)	$ 38,017
Comprehensive Loss	$ 602,898	$ (198,521)		$ 404,377
Statement of Cash Flow				
Cash Used In Operating Activities	$ 1,683,970	$ (156,430)	(h)	$ 1,527,540
Cash Used In Investing Activities	$ 658,102	$ 102,145	(h)	$ 760,247
Cash Provided By Financing Activities	$ (2,288,264)	$ 54,246	(h)	$ (2,234,018)
Cash, End Of Period	$ 32,844	$ 39	(h)	$ 32,883
Statement of Equity				
Share Capital	$ 19,259,617	$ (257,799)	(c) (d) (e) (f)	$ 19,001,818
Share-Based Payment Reserves	$ 2,708,789	$ (10,421)	(c) (d) (e) (f)	$ 2,698,368
Deficit	$ (22,804,687)	$ (315,098)	all	$ (23,119,785)
Cumulative Other Comprehensive Loss	$ (222,892)	$ 116,577	(a)	$ (106,315)
Total Capital Deficit	$ 1,059,173	$ 466,741	all	$ 1,525,914

(a) The restatement was due to the translation of foreign operation in one subsidiary which was not done in the previously filed interim financial statements.

(b) The restatement related to errors in accounting for warrants issued in a foreign currency which should be accounted for as a derivative liability and remeasured at period end with any change in fair value going to profit and loss.

(c) The restatement was attributable to the accounting for the convertible loan. The conversion feature was previously accounted for as equity, however, since the conversion price was in a foreign currency other than the Company's functional currency, the conversion feature violated fix- for- fixed settlement and should be accounted for as a derivative liability, with fair value adjustments being recorded through profit and loss. The discount on the loan is amortized and recorded in the profit and loss as accretion expense. In addition, the foreign exchange on the loans was overstated in the previously filed interim financial statements, which was restated to correct amount.

(d) The restatement related to non-employee options with an exercise price in a foreign currency other than the Company's functional currency; the exercise feature violated fix- for- fixed settlement and should be accounted for as a derivative liability, with fair value adjustments being recorded through profit and loss.

(e) The restatement related to shares issued to settle lawsuits with two former consultants, which was recorded in share-based payment reserve in error.

(f) The restatement related to the fair value of stock options granted to former chief financial officer for her past services, which was not previously recorded.

(g) The restatement related to reclassification of expenses to proper accounts.

(h) The restatement in cash used in operating activities consists of adjustment of a $(59,644) in items included in net loss which do not involve cash and adjustment of $(96,786) in change in non-cash working capital. This adjustment also impacted investing and financing activities.

Statement of Comprehensive Loss	3 months ended December 31, 2013 *As previously reported*	*Restatement*		3 months ended December 31, 2013 *As restated*
Financing Fees And Commissions	$ 17,204	$ 45,937	(a)	$ 63,141
Interest On Notes Payable	$ 16,620	$ 10,369	(a)	$ 26,989
Professional Fees	$ 169,843	$ 119,135	(a)	$ 288,978
Comprehensive Loss	$ (1,346,254)	$ (175,441)		$ (1,521,695)

Statement of Comprehensive Loss	6 months ended December 31, 2013 *As previously reported*	*Restatement*		6 months ended December 31, 2013 *As restated*
Interest On Notes Payable	$ 35,554	$ 14,746	(a)	$ 50,300
Consulting, Management And Director Fees	$ 1,140,995	$ (674,944)	(b)	$ 466,051
Loss On Settlement Of Debt	$ -	$ 763,025	(b)	$ 763,025
Comprehensive Loss	$ (2,981,058)	$ (102,827)		$ (3,083,885)
Statement of Cash Flow				
Cash Used In Operating Activities	$ 744,115	$ 30,686	(c)	$ 774,801
Cash Provided By Financing Activities	$ (1,403,088)	$ (30,686)	(c)	$ (1,433,744)
Statement of Equity				
Share Capital	$ 16,914,796	$ 2,524	(b)	$ 16,917,320
Share-Based Payment Reserves	$ 2,701,346	$ 85,557	(b)	$ 2,786,903
Deficit	$ (19,145,411)	$ (102,827)	all	$ (19,248,238)
Total Shareholders' Equity	$ (342,420)	$ 14,746	all	$ (327,674)

(a) The restatement related to adjustments posted during the June 30, 2014 year end audit which were allocated to this corresponding period.
(b) The Company settled loans and debts through issuance of shares and warrants, the fair value of which and therefore the loss on settlement were valued inaccurately and not recorded in the proper account in the previously filed interim condensed consolidated financial statements.
(c) The restatement in cash used in operating activities consists of adjustment of $811,109 in items included in net loss that were "non-cash" items and an adjustment of $(780,423) in changes in non-cash working capital balances.

Certain current and comparative figures have been reclassified to conform with the amended condensed consolidated financial statement presentation adopted in the period ended December 31, 2014.

About MicroCoal™ Technologies Inc.

MicroCoal is focused on commercializing its unique, clean-coal upgrading technology known as MicroCoal®; a low-cost, patented microwave technology that reduces moisture in coal resulting in an upgraded energy content of coal. This process provides significant financial benefits to coal-fired electrical generating utilities such as: large cost savings from switching to low-rank coal, substantial increases in boiler efficiencies and heat output, improved ash efficiencies and reductions in scrubber costs. Important environmental benefits such as reductions in greenhouse gases and mercury can also be derived from implementation of this technology. MicroCoal is currently constructing the Virginia Plant and discussions for commercial projects are underway.

On behalf of the Board of Directors,

"Dr. James Young"
Chairman of the Board of Directors

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