FORM 7

MONTHLY PROGRESS REPORT

Name of CNQ Issuer: **MicroCoal Technologies Inc.**  (the “Issuer”).

Trading Symbol: **MTI**

Number of Outstanding Listed Securities: **77,744,521**

Date: **Month of November 2013**

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 ongoing 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**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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.

**No material events took place over the past month. The Issuer continues to advance its projects in North America, Indonesia and Poland. See item 2 below for further details.**

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

**Through its wholly-owned subsidiaries, Carbon Friendly™ Solutions Inc. (formerly Global CO2 Reduction Inc.), Carbiopel Sp. z o.o. (“Carbiopel"), the Issuer is focusing on removing and offsetting carbon dioxide emissions from the completion of reforestation, biomass energy and renewable energy technology projects that are independently validated and verified to globally recognized standards and methodologies.**

***Carbon Friendly*™ *Solutions Inc.(formerly “Global CO2 Redcution Inc.”)***

**Global CO2 Reduction Inc. changed its name to Carbon Friendly Solutions Inc. (“Carbon Friendly™”), effective October 9, 2013.**

**Carbon Friendly™is currently working on identifying potential reforestation projects in British Columbia for the creation of emission offsets validated to North American Voluntary and Compliance standards. These offsets will be allocated for sale in the North American voluntary and compliance markets.**

***Carbiopel Sp. z o.o.***

**The Issuer owns a 100% interest in Carbiopel Sp. z o.o. (“*Carbiopel”).* Carbiopel, based in Warsaw, Poland, focuses on the production of biomass fuel pellets for the European market, including large European utilities and independent renewable energy providers, in line with European renewable energy directives, using agricultural residues as feedstock.**

***MicroCoal®, and the MicroCoal Technology***

**The Issuer owns a 100% interest in MicroCoal, Inc. (“MCI”). MCI developed a patented 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”, “MicroCoalTM). The MicroCoal Technology proprietary on-site process cleans up coal at a power plant prior to combustion by reducing contaminates like sulfur and mercury and also improving fuel efficiency by removing water. This helps to accelerate the existing trend of fuel switching to low-rank Power River Basin (western) coals. The Issuer is building on its extensive portfolio of patents pending and proprietary know-how.**

**In April 2012, MCI successfully concluded the installation and commissioning of its MicroCoal® Commercial Reactor, at its Golden, Colorado pilot plant to accommodate upgraded coal requirements of a large-scale facility. The pilot plant has a historical cost of an estimated $3.8 million and is located at Hazen Research, Inc.**

**The Issuer has worked very closely with Hazen Research, Inc. utilizing their la facilities and engineering staff in Golden, Colorado, to analyze raw and treated coal samples on a number of parameters, with the specific focus of reducing moisture. Results from these analyses indicate a decrease in moisture by 87-93%, resulting in less than 1% residual moisture in each respective coal sample. This serves as further support for the Issuer’s technological process for reducing moisture, and as a result, providing significant value for a number of coal users. The Issuer is continuing to optimize its process by developing a broad database of several coal analyses.**

**The Issuer has successfully completed tests on its MicroCoalTM Commercial Reactor at its pilot plan in Colorado, which testing showed the beneficial attributes of the technology and the design for treating large volumes of low-rank coal. The internationally patented technology that was the basis of these tests uses a unique vertical reactor, the first of its kind for coal treatment. This complex project consisted of testing heterogeneous coal and understanding complex variables such as solid (coal) flow, microwave generation and deployment, the chemistry of coal and its impurities, the chemistry of microwave-coal interaction, and water evaporation physics.**

**These tests have shown that MicroCoal™ can remove water in a continuous process in a system that is modular and can be scaled up to meet requirements of utilities that wish to adopt the MicroCoal™ technology. By removing the water from untreated coal, utilities potentially can save $20 - $40 MM or more in costs for each coal-fired power plant. The MicroCoal™ technology also improves operational performance for the utility by reducing ash and improving the boiler’s efficiency. The environmental performance is improved by reducing CO2 emissions and removing contaminants, such as sulphur and mercury from the coal, reducing the need for expensive flue gas scrubbers.**

**Commercial testing objectives, which were all successfully met, included: production of an optimum facility design in which coal flows by gravity alone while being radiated by microwave energy; examination of the rate of moisture loss in coal and the collection of coal bound inherent moisture in a continuous process; examination of the process behavior under varying energy levels; and understanding the materials of construction and design for optimum commercial deployment.**

**The Issuer has received written confirmation from PT Jembangkitan Jawa Bali that its bid to design and install a MicroCoal facility at the PT PJB UNIT PEMBANGKITAN PAITON 2 X 400MW coal-fired power plant ("Paiton Plant") in Paiton, East Java, Indonesia, meets all regulatory standards and requirements and can now be advanced to the first qualification stage. The Issuer is currently working closely with an experienced Indonesian government contractor, PT CITICON ADINUGRAHA to start analyzing data specific to the Paiton Plant and to prepare a more comprehensive construction and installation proposal.**

**MicroCoal International Inc. (“MCII”) entered into a binding letter of intent (”*LOI*”) with Carbon 2 Power Ventures Inc., of Vancouver, BC (“*C2P*”), and PT Wijaya Tri Utama, of Kalimantan, Indonesia (“*PAK*”), whereby a small scale commercial MicroCoal plant (“*SSCP*”) will be constructed at the 15MW power plant, Banjarmasin Power Plant (“*TTP*”) owned and operated by PAK. Pursuant to the terms of the LOI: 1) MCII and PAK will provide project financing for the SSCP; 2) the parties shall work together to improve: a) the cost economics of the input coal that has been targeted by the parties and b) to reduce the operating costs by way of an investment with a payback of three years; 3) PAK will engage MCII as the sole provider of upgrades and maintenance for all technology installed at TTP; and 4) the installation will be in two phases, and the parties have agreed that it shall take between six to twelve months.**

**The Issuer’s wholly-owned subsidiary, MicroCoal Europe Sp. z o.o. (“MicroCoal Europe”), has successfully completed and submitted its funding application under GEKON—Generator of Ecological Concepts Project, (the “Application”), a government financed project to build a European MicroCoal™ test facility located in Poland (the “Facility”). It is estimated that the cost of setting up the Facility and operating it for a two year period is $3.5 MM (10,922,930 Polish Zloty). Two million three hundred and fifty-thousand dollars ($2.35 MM; 7,383,098 Polish Zloty) of the cost shall be funded through the Application.**

**MicroCoal Europe has entered into a consortium with the Institute of Power Engineering, a Polish Government Institute, to accomplish the following:**

**i. Develop a methodology to optimize the energetic efficiency of power plants using MicroCoal technology; and**

**ii. Run various tests to develop a methodology for energetic optimization.**

**MCI has successfully tested two shipments of coal from PT Kalimantan Powerindo Power Plant Industries in Indonesia (“Indonesian Coal”) at the MCI pilot facility outside Denver, Colorado. MCI has tested the Indonesian Coal to determine the optimal processing and design of the MicroCoal™ facility to be constructed this year.**

**On June 13th, 2013, the Issuer announced that MCII entered into a Letter of Intent (“LOI”) with PT Citicon Energy (“CEN”) to undertake construction of a commercial MicroCoal installation (the “Installation”) for their PT Wijaya Tri Utama power plant facility (“WTU”) in Banjarmasin, the capital of South Kalimantan, Indonesia.**

**Pursuant to the LOI, CEN is responsible for providing MCII with cost proposals for construction of the commercial Installation, including schedules for project management, organizational management and engineering. Further, MCII and CEN are jointly responsible for the construction of the Installation. The parties anticipate completion of the project plan for the Installation in approximately one month.**

**On June 20th, 2013, the Issuer announced that MCII had entered into a Memorandum of Understanding (“MOU”) with PT. PLN Batubara (“PTPLNB”), a subsidiary company of PTPLN (Persero), the state-owned utility of Indonesia.**

**Pursuant to this MOU, PTPLNB has expressed an interest to integrate the use of the MicroCoal™ technology into PTPLNB’s coal-based energy business in order to increase the heat value of the coal used by its coal power plants. Further, PTNLNB and MCII have agreed to negotiate and discuss the financing, including construction costs, of building and operating MicroCoal technology at one or more of PTPLNB’s coal-based facilities in Indonesia. The Issuer expects to shortly receive coal from PTNLNB and will conduct testing based on their coal and boiler specifications.**

**On July 29, 2013, the Issuer announced that its wholly owned subsidiary, MCII, entered into a sales agreement (“Master Agreement”) with PT Wijaya Tri Utama (“PWTU”), which provides for the design, construction, operation, and maintenance of the first MicroCoal™ commercial facility utilizing the Issuer’s proprietary ground‐breaking coal drying technology (the “Facility”). The contracted price for the construction of the Facility’s installation is USD $6,000,000 (“Construction Fee”). A portion of the Construction Fee is to be paid up front, with the balance of the funding for the Facility to be secured by an irrevocable letter of credit arranged by PWTU for the benefit of MCII. In addition to the one time Construction Fee, PWTU has agreed to pay MCII an annual fee for a period of six (6) years and maintenance fees pursuant to the supporting agreements to be entered by the parties.**

**The Facility will be located on‐site at the PWTU coal‐fired power plant on the island of Kalimantan, Indonesia and will be designed to upgrade the calorific value of approximately 190,000 tonnes per year of low‐rank coal (approximately 8,000 Btu/lb.) to a higher calorific coal (approximately 9,000 Btu/lb.) by removing up to 10% of the total moisture. MicroCoal has concluded that its technology can substantially increase the calorific content of this specific low‐rank Indonesian coal above 11,000 Btu/lb. by further reducing the moisture content.**

**On August 27, 2013 the Issuer announced that it had received the project advance PWTU required under the terms of the Master Agreement. The remaining balance will be secured by an irrevocable letter of credit arranged by PWTU, acceptable to the Canadian Imperial Bank of Commerce (CIBC), for the benefit of MicroCoal™.**

**On September 16, 2013, the Issuer announced that the initial project payment was made to CEN for the construction of the first MicroCoal’s plant in Indonesia, and site-work construction commences of the first commercial MicroCoal™ facility installation at the PWTU power plant in Banjarmasin, the capital of South Kalimantan, Indonesia. Pursuant to the contract, CEN is responsible for all aspects of engineering, construction and project management.**

**On October 15, 2013, the Issuer’s wholly owned subsidiary MCII incorporated its own subsidiary MicroCoal Indonesia Inc. The incorporation of MicroCoal Indonesia Inc. will assist in advancing the Issuer’s current and future projects in Indonesia.**

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.

**None.**

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 trade-marks.

**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.

**No new legal proceedings for the month of November 2013.**

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.

**On November 21, 2013, 15,000 common shares were issued upon the exercise of 15,000 stock options at an exercise price of $0.09 per share.**

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.**

**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  **December 4, 2013** .

**Slawomir Smulewicz**

*Name of Director or Senior Officer*

**/s/ *Slawomir Smulewicz***

*Signature*

**Chief Executive Officer**

*Official Capacity*

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| **Issuer Details**  *Name of Issuer*  **MicroCoal Technologies Inc.** | *For Month End*  **November 2013** | *Date of Report*  *YY/MM/DD*  **2013/12/04** |
| *Issuer Address*  **#2500 - 555 West Hastings Street** | | |
| *City/Province/Postal Code*  **Vancouver, BC V6B 4N5** | *Issuer Fax No.*  **(604) 677-3171** | *Issuer Telephone No.*  **(604) 676-9792** |
| *Contact Name*  **Slawomir Smulewicz** | *Contact Position*  **CEO** | *Contact Telephone No.*  **(604) 676-9792** |
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