51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

SmartCool Systems Inc. (the "**Company**")
7155 Kingsway
PO Box 54523 Highgate PO
Burnaby, BC V5E 4J6

Item 2 Date of Material Change

September 29, 2016

Item 3 News Release

The news release was disseminated on September 29, 2016 through Stockwatch and Baystreet.

Item 4 Summary of Material Change

The Company has closed the second tranche of its non-brokered private placement.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has closed the second tranche of its non-brokered private placement offering, which was previously announced in the Company's news release of September 8, 2016. In the second tranche, the Company sold an aggregate of 800,000 units (each a **"Unit"**) at a price of $0.025 per Unit for gross proceeds of $20,000. Each Unit sold was comprised of one common share in the capital of the Company (a "**Share**") and one non-transferable share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder to purchase one additional Share in the capital of the Company (a "**Warrant Share**") for a period of 12 months from the closing date at an exercise price of $0.05.

All of the securities issued in the second tranche of the Offering are subject to a hold period expiring January 30, 2017. The warrants are not transferable.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Contact:	George Burnes, President
Telephone:	604.669.1388

Item 9 Date of Report

September 30, 2016