

**SMARTCOOL SYSTEMS INC.**

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**SMARTCOOL ANNOUNCES CLOSING OF FIRST TRANCHE OF PRIVATE PLACEMENT**

Vancouver, British Columbia

July 4, 2017

SmartCool Systems Inc. (TSXV: SSC) (OTCQB: SSCFF) (the "**Company**") is pleased to announce that it has closed the first tranche of a non-brokered private placement offering (the "**Offering**") of up to 16,666,666 units (the "**Units**") at a price of \$0.03 per Unit. In the first tranche, the Company sold 13,374,066 units for gross proceeds of \$401,221.98. The Company intends to close the second and final tranche of this Offering before the end of July, 2017. The Company intends to use the proceeds of the Offering as follows:

- Approximately \$150,000 for inventory purchase;
- Approximately \$100,000 for marketing;
- Approximately \$120,000 for repayment of debentures; and
- If the Company successfully raises the entire \$500,000, it intends to use \$130,000 of the gross proceeds for general working capital.

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 five (5) years at an exercise price of \$0.05 until June 30, 2022.

All of the securities issued in the first tranche of the Offering are subject to a hold period expiring October 1, 2017. The warrants are not transferable.

The Company paid a cash commission of \$14,616 to two finders and issued 487,200 non-transferable agents' warrants (each, an "**Agent's Option**") to one of those finders in connection with certain subscriptions in the Financing. Each Agent's Option entitles the holder to purchase one Unit (each, an "**Agent's Option Unit**") at a price of \$0.03 per Agent's Option Unit for a period of two (2) years following the Closing Date, with each Agent's Option Unit consisting of one Common Share (each, an "**Agent's Option Share**") and one share purchase warrant (each, an "**Agent's Option Warrant**"), with each Agent's Option Warrant entitling the holder to purchase one additional Common Share (each, an "**Agent's Option Warrant Share**") at a price of \$0.05 for a period of five (5) years from the date of issuance of the Agent's Option.

This press release is not an offer of securities for sale in the United States. None of the securities issued or issuable in connection with the Offering have been or will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an exemption from the registration requirements of the 1933 Act. This press release will not constitute an offer to sell or

the solicitation of an offer to buy nor will there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**About Smartcool**

Smartcool Systems Inc. (TSXV: SSC) provides cutting edge energy efficient and energy cost reduction solutions for businesses around the world. The ECO3 and ESM are Smartcool's unique retrofit technologies that reduce the energy consumption of compressors in air conditioning, refrigeration and heat pump systems by 15% to 20%, giving a return on investment in 12 to 36 months.

On behalf of Smartcool Systems Inc.

Theodore Konyi, President  
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