SMARTCOOL SYSTEMS INC.

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SMARTCOOL ANNOUNCES CLOSING OF FIRST TRANCHE OF PRIVATE PLACEMENT

Vancouver, British Columbia September 1, 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 8,000,000 units (the "**Units**") at a price of $0.05 per Unit. In the first tranche, the Company sold 5,800,000 units for gross proceeds of $290,000. The Company intends to close the second and final tranche of this Offering in September, 2017. The Company intends to use the proceeds of the Offering for marketing, inventory purchase and 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**") at an exercise price of $0.07 until September 1, 2019, subject to an acceleration provision whereby, in the event that the Company's common shares have a closing price on the TSX Venture Exchange of greater than $0.11 per share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and, in such case, the Warrants will expire on the 30th day after the date on which such notice is given to the holders.

All of the securities issued in the first tranche of the Offering are subject to a hold period expiring January 2, 2018. The Warrants are not transferable.

The Company paid a cash commission of $10,000 and issued 200,000 non-transferable broker warrants (each, an "**Broker Warrant**") to one finder in connection with certain subscriptions in the Financing. Each Broker Warrant shall entitle the holder to purchase one Unit (each, a "**Broker Unit**") at a price of $0.05 per Broker Unit until September 1, 2019, with each Broker Unit consisting of one Share and one share purchase warrant (each, a "**Broker Unit Warrant**"), with each Broker Unit Warrant entitling the holder to purchase one additional Share at a price of $0.07 until September 1, 2019.

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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