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 8, 2017

Item 3 News Release

The news release was disseminated on September 8, 2017 through Stockwatch and Baystreet.

Item 4 Summary of Material Change

The Company has closed a second and final tranche of a non-brokered private placement offering.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has closed the second and final 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 second and final tranche, the Company sold 2,200,000 units for gross proceeds of $110,000. The Company has raised a total of $400,000 from the closing of the first and second tranches of the Offering. 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 8, 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 second and final tranche of the Offering are subject to a hold period expiring January 9, 2018. The Warrants are not transferable.

The Company paid a cash commission of $1,600 and issued 32,000 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 8, 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 8, 2019.

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: Theodore Konyi, President
Telephone: 604.639.5629

Item 9 Date of Report

September 8, 2017