

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**

November 30, 2017

**Item 3 News Release**

The news release was disseminated on December 5, 2017 through Stockwatch and Baystreet.

**Item 4 Summary of Material Change**

The Company announced that it had closed (the “Closing”) the second tranche of its non-brokered private placement (the “Offering”) of up to 5,000 units (each, a “Unit”) of the Company for \$1,000 per Unit. Each Unit is comprised of one 8% unsecured non-convertible debenture of the Company and 1,000 common shares (each, a “Common Share”) of the Company. In the second tranche of the Offering, the Company sold 134 Units, for gross proceeds of \$134,000.

**Item 5 Full Description of Material Change**

5.1 *Full Description of Material Change*

The Company announced that it had closed (the “Closing”) the second tranche of the Offering. Each Unit is comprised of one 8% unsecured non-convertible debenture of the Company and 1,000 Common Shares. In the second tranche of the Offering, the Company sold 134 Units, for gross proceeds of \$134,000.

In connection with the Closing, the Company paid a selling commission to Ascenta Finance Corp. (“Ascenta”) of \$10,720 and issued 194,909 non-transferable broker warrants (each, a “Broker Warrant”) to Ascenta. Each Broker Warrant entitles the holder to purchase one Common Share at a price of \$0.055 per share until November 30, 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**

December 8, 2017

SMARTCOOL SYSTEMS INC.

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SMARTCOOL ANNOUNCES CLOSING OF  
SECOND TRANCHE OF UNIT OFFERING

Vancouver, British Columbia

December 5, 2017

SmartCool Systems Inc. (TSXV: SSC) (OTCQB: SSCFF) ("**Smartcool**" or the "**Company**") is pleased to announce that, further to its news releases dated August 3, 2017, and November 10, 2017, it has closed (the "**Closing**") the second tranche of its non-brokered private placement (the "**Offering**") of up to 5,000 units (each, a "**Unit**") of the Company for \$1,000 per Unit. Each Unit is comprised of one 8% unsecured non-convertible debenture of the Company and 1,000 common shares (each, a "**Common Share**") of the Company. In the second tranche of the Offering, the Company sold 134 Units, for gross proceeds of \$134,000.

The Company intends to close the third tranche of the Offering on or before December 20, 2017. The Company intends to use the net proceeds of the Offering to finance installations of its proprietary control technologies in the energy efficiency sector as part of its overall growth strategy, and for general working capital.

The Common Shares issued in the second tranche of the Offering are subject to a hold period expiring April 1, 2018.

In connection with the Closing, the Company paid a selling commission to Ascenta Finance Corp. ("**Ascenta**") of \$10,720 and issued 194,909 non-transferable broker warrants (each, a "**Broker Warrant**") to Ascenta. Each Broker Warrant entitles the holder to purchase one common share of the Company at a price of \$0.055 per share until November 30, 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  
604.669.1388

*Forward-looking statements: Certain statements in this release are forward-looking statements. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Forward looking statements in this release include those concerning the size and timing of the Offering and the proposed use of proceeds. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, as well as other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*