

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

May 16, 2018

Item 3 News Release

The news release was disseminated on May 16, 2018 through Stockwatch.

Item 4 Summary of Material Change

The Company announced that further to its Press Releases of March 6, 2018 and March 8, 2018, it has closed the private placement offering of non-voting Series A Preferred Shares (each, a “**Series A Share**”) at a price of US\$1.00 per Series A Share.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has closed a private placement offering of non-voting Series A Preferred Shares (each, a “**Series A Share**”) at a price of US\$1.00 per Series A Share. In the private placement the Company sold 300,000 Series A Shares for gross proceeds of US\$300,000.

The Company’s Series A Shares are non-voting and may not be transferred without prior written consent of the Company’s Board of Directors. In addition, they are subject to a hold period under applicable securities laws expiring September 17, 2018 and are subject to rights and restrictions that include exchange and conversion rights, all of which have been described in the Company’s press releases of March 6 and March 8, 2018.

See Item 4 above and the attached news release for additional details concerning the material change.

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

May 16, 2018

Not for Dissemination in the United States or to U.S. Persons

Smartcool Announces Closing of Private Placement of Preferred Shares

Vancouver, B.C., May 16, 2018, Ted Konyi, CEO, SmartCool Systems Inc. (TSXV: SSC OTC: SSCFF) (“**Smartcool Canada**” or the “**Company**”) announces that further to its Press Releases of March 6, 2018 and March 8, 2018, it has closed the private placement offering of non-voting Series A Preferred Shares (each, a “**Series A Share**”) at a price of US\$1.00 per Series A Share. In the private placement the Company sold 300,000 Series A Shares for gross proceeds of US\$300,000.

The Company’s Series A Shares are non-voting and may not be transferred without prior written consent of the Company’s Board of Directors. In addition, they are subject to a hold period under applicable securities laws expiring September 17, 2018.

About Smartcool

Smartcool Systems Inc. (TSX-V: SSC OTC: SSCFF FSE: R3W) provides cutting edge energy efficient and energy cost reduction solutions for businesses around the world. The ECO3, ESM and ECOHome are Smartcool’s unique retrofit technologies that reduce the energy consumption of compressors in air conditioning, refrigeration and heat pump systems by up to 40%, giving customers a rapid return on investment.

For further information

WEB www.smartcool.net and www.smartcooleco3.com **EMAIL** info@smartcool.net

Investor inquiries

Mike Kordysz

Vice President, Investor Relations

TEL +1 604 904 8632 **EMAIL** mike.kordysz@smartcool.net

Legal Notice Regarding Forward Looking Statements

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.



Smartcool Systems Inc.
7155 Kingsway
PO Box 54523 Highgate PO
Burnaby, BC
V5E 4J6 Canada

TEL +1 604 669 1388
TOLL-FREE +1 888 669 1388
FAX +1 604 602 0674
EMAIL officeCanada@smartcool.net