51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

SmartCool Systems Inc. (the "**Company**" or "**Smartcool**")
7155 Kingsway
PO Box 54523 Highgate PO
Burnaby, BC V5E 4J6

Item 2 Date of Material Change

June 19, 2018

Item 3 News Release

The news release was disseminated on June 19, 2018 through Newsfile Corp.

Item 4 Summary of Material Change

The Company has amended the letter agreement pursuant to which it proposes to acquire Total Energy Concepts Inc. ("**TEC**") from its sole shareholder - Damian Smith - in a transaction originally announced on March 13, 2018.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has amended the letter agreement pursuant to which it proposes to acquire TEC from its sole shareholder - Damian Smith - in a transaction originally announced on March 13, 2018. The original letter agreement is dated February 16, 2018 and the amendment is dated June 12, 2018.

As amended, the letter agreement provides that Smartcool will acquire 100% of the outstanding shares of TEC in return for 18,000,000 common shares of Smartcool ("**Smartcool Shares**"), 5,000,000 non-transferable share purchase warrants (each, a "**Warrant**") to be issued to Damian Smith at closing, and US$150,000 in cash payable over 12 months from the closing date. Each Warrant will entitle Mr. Smith to purchase one additional Smartcool common share at the Closing Price until the fifth anniversary of the closing date. In the original letter agreement, the number of Smartcool Shares to be issued to Mr. Smith at closing was to be determined at closing, based on the market price in effect immediately before closing; the amendment removes this uncertainty and fixes the number of Smartcool Shares at 18,000,000. In addition, the amendment provides that the effective date of the acquisition will be as of April 1, 2018. The letter agreement continues to be subject to customary conditions, including the execution of a definitive agreement and TSX Venture Stock Exchange Approval.

See 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

June 25, 2018

Smartcool Update on Acquisition of Total Energy Concepts

June 19, 2018 Vancouver, B.C.

Smartcool Systems Inc. (TSX.V: SSC; OTC: SSCFF; FSE: R3W) (**"Smartcool"** or the **"Company"**) is pleased to announce that it has amended the letter agreement pursuant to which it proposes to acquire Total Energy Concepts Inc. (**"TEC"**) from its sole shareholder - Damian Smith - in a transaction originally announced on March 13, 2018.

As amended, the letter agreement provides that Smartcool will acquire 100% of the outstanding shares of TEC in return for 18,000,000 common shares of Smartcool (**"Smartcool Shares"**) and 5,000,000 non-transferable share purchase warrants (each, a **"Warrant"**) to be issued to Damian Smith at closing, and US$150,000 in cash payable over 12 months from the closing date. Each Warrant will entitle Mr. Smith to purchase one additional Smartcool common share at the Closing Price until the fifth anniversary of the closing date. In the original letter agreement, the number of Smartcool Shares to be issued to Mr. Smith at closing was to be determined at closing, based on the market price in effect immediately before closing; the amendment removes this uncertainty and fixes the number of Smartcool Shares at 18,000,000. The letter agreement continues to be subject to customary conditions, including the execution of a definitive agreement and TSX Venture Stock Exchange Approval.

The Company has substantially completed its due diligence and can report that TEC's financial statements for the year ended December 31, 2017 show net income of (US$147,251) (CDN$194,371) on 2017 revenues of US$2,012,278 (CDN$2,656,207). The parties have agreed to fix an 'effective date' for closing of April 1, 2018.

TEC is a Minnesota-based distributor of Smartcool products and other energy efficient products that has been in business since 2003. Damian Smith, President and Chief Executive Officer of TEC, has been very successful in growing the company and developing several proprietary products.

These include Power Factor Correction equipment (PFC), Voltage Conditioning Units (VCU) and Intelligent Generator Optimization Systems (IGOS). In addition to these proprietary products, TEC markets a host of energy efficiency products to provide clients a holistic approach to energy savings in an effort to help clients reduce energy consumption and save money.

Damian Smith and Ted Konyi believe that the synergies from a strategic merger of these two companies present a very attractive growth opportunity.

Ted Konyi commented, " I am pleased to have reached agreement on this amendment as it provides clarity on the number of shares being issued for all parties. We are endeavouring to complete this transaction within the next few weeks, subject to stock exchange approval."

About TEC

Total Energy Concepts Inc. Founded in 2003, offers a holistic approach to Energy Savings with its client base. Solutions include LED lighting, Power Quality and Protection Strategies, Power Factor Correction, Intelligent Motor and Facility Controls as well as other energy efficiency upgrade technologies. The company has successfully delivered its products to thousands of companies across North America and includes a diverse customer base from C-stores to Fortune 500 Companies. Working through 14+ representatives has generated significant sales and profitability providing the opportunity for continued growth.

About Smartcool

Smartcool Systems Inc. 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%.

For further information

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Investor inquiries

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Legal Notice Regarding Forward Looking Statements

This news release contains "forward looking statements". Forward-looking statements are projections of financial performance or future events. Forward-looking statements can be identified by the use of words such as "expect", "anticipate", "intend", "plan", "believe", "estimate" and words of similar meaning. Forward-looking statements are based on management's current expectations and assumptions and they are subject to risks that may cause actual results to differ materially from those expressed or implied by such forward looking statements. Forward-looking statements in this news release include those concerning the belief that the synergies from a strategic merger of these two companies presents a very attractive growth opportunity, its anticipation of significant benefits for all parties including growth in new sales opportunities. These statements are subject to risks that may cause the actual results to be materially different in future periods from those expressed or implied by such forward looking statements. Risks that may prevent or delay the forward looking statements from coming to fruition as anticipated include the availability of working capital, risks inherent in product development, as well as market factors that may increase costs or time to market. It is our policy not to update forward looking statements except to the extent required under applicable securities laws. Further information on the Company is available at www.sedar.com or at the Company's website, www.smartcool.net.

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