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

February 19, 2019

Item 3 News Release

A news release was disseminated on February 19, 2019 through Stockwatch and Baystreet.

Item 4 Summary of Material Change

Further to the Company's news releases of November 8, 2018, December 13, 2018 and January 14, 2019, the Company has closed the first tranche of a non-brokered private placement offering (the "**Offering**") consisting of 2,950,000 units (each a "**Unit**") for gross proceeds of $147,500.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company has completed a first tranche of the Offering of 2,950,000 Units for gross proceeds of $147,500. The Company intends to close a second tranche of this Offering on or before February 25, 2019.

Each Unit is 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**") for a period of one year from the closing date at an exercise price of $0.08, subject to an acceleration provision whereby, in the event that the Company's common shares have a closing price on the TSX Venture Exchange (the "**TSX-V**") 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.

The Company plans to use the proceeds for marketing initiatives, research and development and general working capital.

All of the securities issued in the first tranche of the Offering are subject to a hold period expiring June 13, 2019. The Warrants are not transferable.

The Company paid a cash commission of $7,800 and issued 156,000 non-transferable broker warrants (each, a "**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 February 12, 2020, 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 $0.08 until February 12, 2020.

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

February 19, 2019

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Smartcool Announces Closing of First Tranche of Private Placement Offering

Vancouver, B.C. February 19, 2019, Ted Konyi, CEO, Smartcool Systems Inc. (TSXV:SSC.V; OTC:SSCFF; FSE: R3W) (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 20,000,000 units (the "**Units**") at a price of $0.05 per Unit. In the first tranche, the Company sold 2,950,000 Units for gross proceeds of $147,500. The Company intends to close a second tranche of this Offering on or before February 25, 2019.

Each Unit is 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**") for a period of one year from the closing date at an exercise price of $0.08, subject to an acceleration provision whereby, in the event that the Company's common shares have a closing price on the TSX Venture Exchange (the "**TSX-V**") 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.

The Company plans to use the proceeds for marketing initiatives, research and development and general working capital.

All of the securities issued in the first tranche of the Offering are subject to a hold period expiring June 13, 2019. The Warrants are not transferable.

The Company paid a cash commission of $7,800 and issued 156,000 non-transferable broker warrants (each, a "**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 February 12, 2020, 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 $0.08 until February 12, 2020.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Shares or Warrants in the United States. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"**) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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%.

Total Energy Concepts (TEC), a wholly owned subsidiary of Smartcool, is a national leader in Power Protection, Energy Management, Power Quality, Facility Grounding, and Lighting Solutions that help companies improve their bottom line by reducing expenses that drastically cut into company profits. TEC focuses on a holistic approach to energy efficiency with proprietary technologies for power factor correction and third party technologies including LED, voltage conditioning and intelligent motor controls.

For more information please visit www:smartcool.net and www:totalenergyconcepts.com

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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 in this news release include the Company's intent to close the balance of the private placement offering by February 25, 2019. 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. 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.