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INFORMATION CIRCULAR

Solicitation of Proxies

This information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Smartcool Systems Inc. (the "**Company**") for use at the annual general and special meeting of the shareholders (the "**Shareholders**") of the Company (the "**Meeting**") to be held at 900 – 885 West Georgia Street, Vancouver, British Columbia, on September 25, 2015, at 9:00 a.m. (Vancouver time) and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the beneficial owners of the common shares of the Company (the "**Common Shares**") held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

In this Information Circular, references to "the Company", "we" and "our" refer to Smartcool Systems Inc. "Common Shares" means common shares in the authorized share structure of the Company as at the date of this Information Circular. "Beneficial Shareholders" means Shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

Date of Information Circular

Information contained in this Information Circular is given as at August 14, 2015, unless otherwise indicated.

GENERAL PROXY INFORMATION

Revocability of Proxies

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by either:

(a) executing a proxy bearing a later date; or

(b) executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the Shareholder's authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by depositing the proxy bearing a later date with Computershare Investor Services Inc., or at the address of the registered office of the Company at 900 - 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the date that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(c) by the registered Shareholder personally attending the Meeting and voting the registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Appointment of Proxyholders

A Shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be Shareholders, to attend and act at the Meeting for the Shareholder on the Shareholder's behalf.

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Company (the "**Management Designees**"). **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of **Computershare Investor Services Inc., at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax within North America to 1-866-249-7775 and outside North America to (416) 263-9524,** or by telephone to 1-866-732-VOTE (8683) Toll Free or internet at www.investorvote.com not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Exercise of Discretion

The Management Designees named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions of the Shareholder on any ballot that may be called for. The Proxy will confer discretionary authority on the nominees named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors,

(b) any amendment to or variation of any matter identified therein, and

(c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the Management Designees will vote the Common Shares represented by the Proxy at their own discretion for the approval of such matter.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each Management Designee intends to vote thereon in accordance with the Management Designee's best judgment.

Proxy Voting Options

If you are a registered Shareholder, you may elect to submit a proxy in order to vote whether or not you are able to attend the Meeting in person. In order to vote by mail, you must complete, date and sign the Proxy and return it to the Company's transfer agent, **Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax within North America to 1-866-249-7775 and outside North America to (416) 263-9524**, or by telephone to 1-866-732-VOTE (8683) Toll Free or internet at www.investorvote.com not less than at any time up to and including 9:00 a.m. (Vancouver time) on September 23, 2015.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Beneficial Shareholders should note that only Proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depositary Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the form of Proxy provided to the registered Shareholders by the Company.

However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada *(*"**Broadridge**"*)* in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instrument form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Alternatively, you may request in writing that your broker send you a legal Proxy which would enable you, or a person designed by you, to attend at the Meeting and vote your Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the approval of the amendment of the Company's stock option plan and the ratification of certain stock option grants.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed August 14, 2015, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and

subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of August 14, 2015, the Company had outstanding 119,427,737 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. The Company is also authorized to issue an unlimited number of preferred shares. There are no preferred shares issued and outstanding as at the Record Date.

To the knowledge of the directors or executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to the outstanding Shares of the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

Recommendation of the Board

The Board unanimously recommends that Shareholders vote in favour of all resolutions.

ELECTION OF DIRECTORS

The Board currently consists of four (4) directors. Management proposes to fix the number of directors of the Company at four (4) and to nominate the persons listed below for election as directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Canada Business Corporations Act* (the "**CBCA**") or the Articles of the Company, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Common Shares represented by proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares of the Company which each beneficially owns or over which control or direction is exercised:

Nominee Position with the Company and Province/State and Country of Residence	Occupation, Business or Employment[(1)]	Director of the Company Since	Committee Membership	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised[(2)]
Theodore Konyi Chief Executive Officer & Director British Columbia, Canada	Founder of Smartcool Systems Inc.	Since January 16 , 2015	Audit Committee	4,440,000
George M. Burnes President & Director British Columbia, Canada	President and Director, Novus Communications Inc. from September 1996 to September 2004	Since September 15, 2004	Audit Committee	1,245,000
Dalton Larson Director British Columbia, Canada	President of the Arbitrators Association of British Columbia; Directors of the BC Arbitration and Mediation Institute.	Since January 16, 2015	Audit Committee	1,500,000
Brad Nightingale Director Arizona, USA	Managing Director, Fulham Partners and Founder/Chairman and Chief Executive Officer, Digital Caddies Inc.	Since September 25, 2014	Audit Committee	Nil

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.

(2) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by Computershare Investor Services Inc., the registrar and transfer agent of the Company, insider reports filed on SEDI and by the nominees themselves.

To the knowledge of the Company, no proposed director is, or has, within the 10 years before the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company that,

(a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company was, as at the date of the Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including Smartcool Systems Inc.) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for that proposed director.

DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

Set out below are particulars of compensation paid to the following persons (the "**Named Executive Officers**" or "**NEOs**"):

(a) the Company's Chief Executive Officer ("**CEO**");

(b) the Company's Chief Financial Officer ("**CFO**"); and

(c) the Company's most highly compensated executive officer, other than the CEO and CFO, whose total compensation was, individually, more than $150,000 for the financial year ended December 31, 2014.

During the financial year ended December 31, 2014, the Company's Named Executive Officers were: George M. Burnes, President, director and the former CEO of the Company; and Kim Nguyen, CFO of the Company.

Director and Named Executive Officer Compensation (excluding Compensation Securities)

The following table is a summary of compensation (excluding compensation securities) paid to each director of the Company and Named Executive Officer for the financial years ended December 31, 2014 and 2013.

Table of compensation excluding compensation securities							
Name and position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
George M. Burnes[(1)] President, Director and Former CEO	2014 2013	$177,450 $193,505	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$177,450 $193,505
Kim Nguyen[(2)] CFO	2014 2013	$100,000 $100,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	$100,000 $100,000
Brad Nightingale[(3)] Director	2014 2013	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A
Jeffrey J. Lowe[(4)] Former Director	2014 2013	22,500 30,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	22,500 30,000
Elden Schorn[(5)] Former Director	2014 2013	9,000 12,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	9,000 12,000
Craig Jolly[(6)] Former Director	2014 2013	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A

(1) George M. Burnes was the CEO of the Company until January 1, 2015. He was paid $62,500 in 2014, his remaining compensation of $87,500 was payable as of December 31, 2014.

(2) Kim Nguyen was paid $41,667 in 2014, her remaining compensation of $58,333 was payable as of December 31, 2014.

(3) Brad Nightingale was appointed a director of the Company on September 25, 2014.

(4) Jeffrey J. Lowe was a director of the Company until September 25, 2014.

(5) Elden Schorn was a director of the Company until September 25, 2014.

(6) Craig Jolly was a director of the Company from September 25, 2014 until January 16, 2015.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and Named Executive Officer by the Company or its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
George M. Burnes[(1)] President, Director and Former CEO	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kim Nguyen[(2)] CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brad Nightingale[(3)] Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jeffrey J. Lowe[(3)] Former Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Elden Schorn[(4)] Former Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Craig Jolly[(5)] Former Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) George M. Burnes was the CEO of the Company until January 1, 2015. As of December 31, 2014, George M. Burnes held options to purchase: 150,000 Common Shares at a price $0.10 per share until January 12, 2015; 600,000 Common Shares at a price of $0.10 per share until December 22, 2015;

200,000 Common Shares at a price of $0.10 per share until January 26, 2017 and 1,200,000 Common Shares at a price of $0.05 per share until December 20, 2018.

(2) As of December 31, 2014, Kim Nguyen held options to purchase: 70,000 Common Shares at a price of $0.10 per share until December 22, 2015; 25,000 Common Shares at a price of $0.10 per share until January 26, 2017 and 250,000 Common Shares at a price of $0.05 per share until December 20, 2018.

(3) Brad Nightingale was appointed a director of the Company on September 25, 2014. As of December 31, 2014, Brad Nightingale did not hold any options.

(4) Jeffrey J. Lowe was a director of the Company until September 25, 2014. As of December 31, 2014, Jeffrey J. Lowe held options to purchase: 150,000 Common Shares at a price of $0.10 per share until January 12, 2015; 200,000 Common Shares at a price of $0.10 per share until January 26, 2017 and 450,000 Common Shares at a price of $0.05 per share until December 20, 2018.

(5) Elden Schorn was a director of the Company until September 25, 2014. As of December 31, 2014, Windstone Financial Corp., a company owned by Elden Schorn, held options to purchase: 250,000 Common Shares at a price of $0.10 per share until January 12, 2015 and 75,000 Common Shares at a price of $0.05 per share until December 20, 2018.

(6) Craig Jolly was a director of the Company from September 25, 2014 until January 16, 2015. As of December 31, 2014, Craig Jolly did not hold any options.

No compensation securities were exercised by any director or NEO during the most recently completed financial year.

External Management Companies

Pursuant to a Consulting Agreement dated October 27, 2004, 384518 B.C. Ltd., a company owned by Jeffrey J. Lowe and his spouse, received the sum of $2,000 per month effective August 1, 2004 for director fees. The Consulting Agreement was amended as of September 2007, increasing the director fee to $5,300 per month through to February 2008 when the fee was increased to $10,000 per month. This Agreement was terminated as of September 2011 and replaced with a new agreement where monthly fees were reduced to $7,000 effective April 1, 2012. This agreement was terminated on September 30, 2012. Jeffrey J. Lowe ceased being a director of the Company on September 25, 2014.

Pursuant to a Consulting Agreement dated January 5, 2010, Windstone Financial Corp., a company owned by Elden Schorn, received the sum of $1,000 per month effective January 15, 2010 for director fees. Elden Schorn ceased being a director of the Company on September 25, 2014.

Stock Option Plans and Other Incentive Plans

For a discussion of the Company's stock option plan, see "Particulars of Matters to be Acted Upon – Amendment of Stock Option Plan".

Employment, Consulting and Management Agreements

Mr. Burnes entered into an employment agreement with the Company dated September 1, 2004 with an effective start date of October 15, 2004 which provided for a base salary of $10,000 per month, to be reviewed annually by the Board. The Company may terminate employment for reasons other than for cause by paying him a total amount equal to three months' salary in lieu of notice in the first year of employment, six months' salary in lieu of notice during the second and third year of employment, nine months' salary in lieu of notice

during the fourth and fifth year of employment and twelve months salary in lieu of notice thereafter. The employment agreement was amended as of February 1, 2009. Under this new agreement, his base salary was increased to $15,000 per month and the severance payment in lieu of notice after five years of employment was changed to twelve months salary plus one additional month for every year to a maximum of 16 months.

There are no other employment contracts between the Company and the Named Executive Officers.

There are no other compensatory plans, contracts or arrangements between the Company and any Named Executive Officer, where the Named Executive Officer is entitled to receive more than $50,000 from the Company, including periodic payments or instalments, in the event of:

(a) the resignation, retirement or any other termination of employment of the Named Executive Officer's employment with the Company;

(b) a change of control of the Company; or

(c) a change of the Named Executive Officer's responsibilities following a change in control.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Discussion and Analysis

The Board as a whole has the responsibility of determining the compensation for the Chief Executive Officer (the "**CEO**") and the Chief Financial Officer (the "**CFO**") and of determining compensation for directors and senior management.

The Board's compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

Compensation

The compensation program is designed to provide competitive levels of compensation. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objectives and reasons for this system of compensation are to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Board relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

Pension Disclosure

The Company does not have any pension arrangements in place for the Named Executive Officers or directors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan that the Company has in place is its stock option plan dated for reference September 27, 2001 as amended September 16, 2011 (the "**Plan**"). The Plan was established to provide an incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued pursuant to option agreements with directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation agreements, may not exceed 20% of the total number of issued and outstanding Common Shares. All options expire on a date not later than ten years after the issuance of such option.

The following table sets forth securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company's most recently completed fiscal year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	6,215,000	$0.07	5,946,745
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	6,215,000	$0.07	5,946,745

At the Meeting, Shareholders will be asked to approve amendments to the Plan. See "Particulars of Matters to be Acted Upon – Amendment of Stock Option Plan" for more information on the terms of the Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An "**informed person**" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than

voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its securities.

Except as set out below, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

During the financial year ended December 31, 2014, the Company paid consulting fees as follows:

Name of Director/Executive Officer	Fees paid to Director/Executive Officer
Jeffrey J. Lowe[(1)]	$22,500
Elden Schorn[(2)]	$9,000
Steven Martin	$32,340

(1) Jeffrey J. Lowe was a director of the Company from July 29, 2004 to September 25, 2014.

(2) Elden Schorn was a director of the Company from January 15, 2010 to September 25, 2014.

Pursuant to a Consulting Agreement dated October 27, 2004, 384518 B.C. Ltd., a company owned by Jeffrey J. Lowe and his spouse, received the sum of $2,000 per month effective August 1, 2004 for director fees. The Consulting Agreement was amended as of September 2007, increasing the director fee to $5,300 per month through to February 2008 when the fee was increased to $10,000 per month. This Agreement was terminated as of September 2011 and replaced with a new agreement where monthly fees were reduced to $7,000 effective April 1, 2012. This agreement was terminated on September 30, 2012. Jeffrey J. Lowe was a director of the Company from July 29, 2004 to September 25, 2014.

Richards Buell Sutton LLP, a law firm in which Mr. Lowe is a partner, billed the sum of $13,385 fees (not including taxes) to the Company and its subsidiaries in the financial year ended December 31, 2014 for legal services.

Pursuant to a Consulting Agreement dated January 5, 2010, Windstone Financial Corp., a company owned by Elden Schorn, received the sum of $1,000 per month effective January 15, 2010 for director fees.

Mr. Steven Martin provides services and strategic advice in connection with operations in the United Kingdom for a three year term from June 1, 2008 to May 30, 2011. His monthly fee was 3,750GBP. This consulting agreement was terminated on April 30, 2013. After the termination of the consulting agreement, Mr. Martin started to receive monthly fee of 2,000 GBP during the current financial year but no official contract was entered into.

APPOINTMENT OF AUDITOR

James Stafford, Chartered Accountants ("**James Stafford**") resigned as the auditor of the Company effective March 13, 2015. Pursuant to Section 166(1) of the CBCA, the directors are

entitled to fill a vacancy in the office of auditor. Effective March 13, 2015, the directors appointed DeVisser Gray LLP ("**DeVisser Gray**") to the position of auditor for the Company. Shareholders will be asked to approve the appointment of DeVisser Gray, as the auditor of the Company, to hold office until the next annual general meeting of the Shareholders and to authorize the directors to fix their remuneration. Included with this Information Circular as Schedule "A" is a reporting package which consists of (a) the Change of Auditor Notice and (b) letters addressed to certain securities regulators from James Stafford and DeVisser Gray.

At the Meeting, Shareholders will be asked to vote for the appointment of DeVisser Gray to serve as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration.

MANAGEMENT CONTRACTS

There are no management functions of the Company or any of its subsidiaries which are to any substantial degree performed other than by the directors or executive officers of the Company or its subsidiaries.

CORPORATE GOVERNANCE

General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**").

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The independent members of the Board of the Company are Dalton Larson and Brad Nightingale. The non-independent directors are Theodore Konyi, Chief Executive Officer, and George M. Burnes, the President of the Company.

The Board facilitates its independent supervision over management by choosing management who demonstrate a high level of integrity and ability and having strong independent members. The independent directors are, however, able to meet at any time without any of the non-

independent directors being present. Further supervision is performed through the Audit Committee who may meet with the Company's auditors without management being in attendance.

Directorships

The participation of the directors in other reporting issuers as at the date of this Management Circular is described in the following table:

Name of Director	Names of Other Reporting Issuers of which the Director is a Director
Theodore Konyi	Digital Caddies Inc.
George M. Burnes	Nil
Dalton Larson	Energizer Resources Inc. Anterior Education Holdings Ltd.
Brad Nightingale	Digital Caddies Inc.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business and on director responsibilities.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussions with all board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Company's Shareholders for election at the annual meeting of the Company's Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The CEO's compensation was recommended and approved by the Board in consultation with the Company's legal counsel.

Directors' compensation was recommended by the CEO and approved by the majority of directors.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and committees.

Nomination and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 ("**NI 52-110**") of the CSA requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "**Audit Committee**") and its relationship with its independent auditors, as set forth in the following.

Charter

The Company has adopted a charter (the "**Charter**") of the Audit Committee of the Board, which is attached as Schedule "B" to this Information Circular.

Composition

The current members of the Audit Committee are Theodore Konyi, George M. Burnes, Dalton Larson and Brad Nightingale. Messrs. Larson and Nightingale are independent members of the Audit Committee. All of the members of the Audit Committee are considered to be financially literate.

Relevant Education and Experience

Mr. Theodore Konyi

Mr. Konyi has over 30 years of experience as a financial entrepreneur. As founder of the Maxwell group of companies, he has been involved in the start-up and growth phases of 15 corporations primarily in the energy and technology industries. The primary operating company in the group, Maxwell Mercantile Inc., has completed in excess of $140 million in private and public financings. From 1988 through 1998, Mr. Konyi was responsible for forming and financing 17 Limited Partnerships that invested successfully in the energy sector. This involved the acquisition of $120 million of producing oil and gas assets in Alberta and managing the cash flow for over 1,500 limited partners. From 1994 to the present, Mr. Konyi has been involved as a director or senior officer in 12 publicly listed companies. Mr. Konyi was founder of Magnum Energy Inc., a start-up publicly listed oil and gas exploration company, and founder of Smartcool Systems Inc., a publicly listed energy conservation technology firm, and Co-founder of Digital Caddies Inc., a start-up tablet based golf course GPS management tool. Maxwell Mercantile Inc. was responsible for the successful $25 million dollar financing of Primeline Energy (PEH: TSXV), having raised the profile of the company and broadened its shareholder base. Mr. Konyi was also co-founder of First Coal Corporation, a private metallurgical coal exploration company, which raised $65 million privately and was sold in 2011 to Xstrata Mining for $149 million. Ted is supported in Maxwell Mercantile by a competent group of financial professionals.

Mr. George M. Burnes

Prior to joining Smartcool Systems Inc., Mr. Burnes was instrumental in the development of several customer-focused enterprises engaged in new product and service deployment. Mr. Burnes most recently held the position of President & COO of Novus Entertainment Inc., a communications service provider offering consumer's choice for their entertainment needs. Mr. Burnes was also President & COO of Silent Witness Enterprises Inc., a leading developer of advanced security systems distributed worldwide. Additionally he was a founding director of Image Systems Corporation, a company engaged in the development of interactive television systems and services. Mr. Burnes has over 20 years of management experience with 10 years of specialization in management and financial consulting.

Mr. Dalton Larson

Mr. Larson is a former partner of a major Vancouver Law firm, now McMillan LLP and currently maintains a private practice along with a successful investment business. As an expert in alternate dispute resolution, Dalton has extensive experience as a professional arbitrator and mediator. He holds a Master's Degree in Law from the University of London, England.

Mr. Larson has considerable business and finance experience, including serving more than 25 years as a director of several investment funds managed by the CW Funds group of companies, affiliated with Ventures West Management Inc. which at the time was one of the largest venture capital firms in Canada, where he participated in the investment and management of

some $130 million in venture capital funds. He served as Chairman of the Board of Directors of a Philippine ethanol company and was a founding shareholder and first Chairman of the Board of Directors of the First Coal Corporation, which started operations in 2004 raising in excess of $65 million in equity to finance its development activities. This company was sold to Xstrata in 2011 for in excess of $150 million.

Mr. Larson is a member of the Board of Directors of Energizer Resources Inc., a publically traded mineral exploration and mining company that is developing its 100% owned flagship Molo Graphite Project in southern Madagascar. He is also Chairman of the Board of Directors of a private education company and most recently was appointed a member of the Board of Directors of Smartcool Systems Inc., which provides cutting edge energy efficient and energy cost reduction solutions for businesses around the world.

Mr. Brad Nightingale

Mr. Nightingale has over 20 years of experience working with executive teams and CEOs of public and private companies throughout North America, advising and directing initiatives relating to capital formation, strategic direction and new initiatives. Mr. Nightingale is currently the managing director with Fulham Partners, a boutique private equity investment bank based in Scottsdale, Arizona with affiliate offices in New York City. Prior to working with Fulham Partners, Mr. Nightingale worked with other recognized investment banks and consulting companies including Merrill Lynch, Sprott Securities Ltd. (now Cormark Securities Inc.) and Canaccord Genuity Corp., and he is also the founder, Chairman and CEO of Digital Caddies Inc., a publicly traded company that is building the tablet based content, navigation and media network on golf courses throughout the United States.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company’s Audit Committee Charter.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 *(De Minimis Non-Audit Services)*, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

External Auditor Service Fees

The aggregate fees billed by the Company’s external auditor in the last two fiscal years, by category, are as follows:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2014	Fees Paid to Auditor in Year Ended December 31, 2013
Audit Fees[(1)]	$22,500	$50,157
Audit-Related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	$933	$933
All Other Fees[(4)]	Nil	Nil
Total	$23,433	$51,090

(1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

PARTICULARS OF MATTERS TO BE ACTED UPON

Amendment of Stock Option Plan

The Company last received Shareholder approval at its annual general and special meeting held on August 30, 2013, of a "fixed" stock option plan whereby a maximum of 20% of the issued Common Shares of the Company are reserved for issuance as at the date of Shareholder approval. The Company has granted stock options that exceed the current limits of the Plan. Accordingly, Shareholders will be asked at the Meeting to approve an amendment to the Plan to increase the number of Common Shares of the Company that are reserved for issuance under the Plan.

The Plan provides for a maximum limit of 20% of the outstanding Common Shares, as permitted by the policies of the TSX Venture Exchange ("**TSXV**"). It is proposed that section 2.4 of the Plan be amended to increase the number of Common Shares reserved for issuance under the Plan from 12,161,745 to a maximum of 20% of the issued and outstanding Common Shares as at the date of Shareholder approval. As at August 14, 2015, this represents 23,885,547 Common Shares that would be available under the Plan. There are currently 13,835,000 stock options

outstanding, which exceeds the number of Common Shares currently available under the Plan. These stock options were granted subject to Shareholder approval.

In addition, Shareholders will be asked at the Meeting to approve other amendments to the Plan as required by the policies of the TSXV. These amendments will limit the number of stock options that can be granted to consultants and persons performing investor relations activities in a 12 month period, and decrease the length of time in which stock options can be exercised by optionees that have "retired" or become "totally disabled" as defined in the Plan.

The purpose of the Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Company and any subsidiaries with an opportunity to purchase Common Shares of the Company and benefit from any appreciation in the value of the Company's Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

Under the Plan, the option price must not be less than the exercise price permitted by the TSXV. The current policies of the TSXV state that the option price must not be less than the closing price of the Common Shares listed on the TSXV on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSXV.

Any amendment to the Plan requires the approval of the TSXV and may require Shareholder approval.

The material terms of the Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.

2. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Company's Common Shares on the day immediately preceding the day on which the directors grant such options, less any discount permitted by the TSXV.

4. All options will be non-assignable and non-transferable.

5. The number of Common Shares reserved for issue to any person under the Plan may not exceed 5% of the issued Common Shares.

6. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death or disability), as the case may be, then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be a director or ceases to be employed by the Company, subject to the terms and conditions set out in the Plan.

7. Disinterested Shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; and (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Company's issued Common Shares.

8. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

The full text of the Plan will be made available at the registered records offices of the Company, Suite 900 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1, until 4 p.m. on the business day immediately preceding the date of the Meeting. The Plan is also available on the Internet at www.sedar.com.

Shareholder Approval

Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

> "BE IT RESOLVED that the Company's amended stock option plan (the "Amended Plan") as set forth in the Information Circular dated August 14, 2015, including the reservation for issuance under the Amended Plan of a maximum of 20% of the issued common shares of the Company as at today's date, be and is hereby approved, subject to the acceptance of the TSX Venture Exchange."

Ratification of Grant of Stock Options

From April 22, 2015 to June 24, 2015, the Board granted a total of 4,670,000 stock options (the "**Options**") to purchase up to 4,670,000 Common Shares at prices ranging from $0.05-0.06 per Common Share for a period of five years from the date of grant. The grant of these Options exceeded the maximum number of Common Shares reserved for issuance under the Plan. The following table sets forth details regarding the Options:

Date of Grant	Optionee	Number of Options	Exercise Price	Expiry Date
April 22, 2015	George M. Burnes	750,000	$0.05	April 22, 2020
April 22, 2015	Kim Nguyen	70,000	$0.05	April 22, 2020
April 22, 2015	Paul Gregory	500,000	$0.05	April 22, 2020
April 22, 2015	George Huston	2,000,000	$0.05	April 22, 2020
April 22, 2015	Steven Martin	500,000	$0.05	April 22, 2020
April 22, 2015	Chris Lefaivre	650,000	$0.05	April 22, 2020
June 24, 2015	Malcolm Leggett	100,000	$0.06	June 24, 2020
June 24, 2015	Jay Friesen	100,000	$0.06	June 24, 2020

The grant of these Options is subject to disinterested Shareholder approval. The Options will be cancelled if the disinterested Shareholders do not ratify and approve the grant of Options.

The optionees named above and their associates (as defined in the policies of the TSXV) will be ineligible to vote on the resolution to ratify and approve the grant of the Options. The total number of Common Shares held by such optionees is approximately 11,337,427.

Shareholder Approval

The disinterested Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

> "BE IT RESOLVED that the 4,670,000 stock options granted from April 22, 2015 to June 24, 2015 to purchase up to 4,670,000 common shares of the Company ("Common Shares") at prices ranging from $0.05-0.06 per Common Share for a period of five years from the date of grant, as set forth in the Information Circular dated August 14, 2015, be and are hereby ratified and approved, subject to the acceptance of the TSX Venture Exchange."

Other Matters

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

Shareholder Proposals

The CBCA provides, in effect, that a registered holder or beneficial owner of shares that are entitled to vote at an annual meeting of the Company may submit to the Company notice of any matter that the person proposes to raise at the meeting (referred to a "**Proposal**") and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The CBCA further provides, in effect, that the Company must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Company will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Company at least 90 days before the anniversary date of the notice of meeting that was sent to the Shareholders in connection with the previous annual meeting of Shareholders of the Company. As the notice in connection with the Meeting is dated August 14, 2015, the deadline for submitting a proposal to the Corporation in connection with the next annual general meeting of Shareholders is May 16, 2016.

Additional Information

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

Financial information on the Company is provided in the Company's comparative financial statements and management discussion and analysis of the most recently completed financial year ended December 31, 2014. Copies of the Company's financial statements and management discussion and analysis may be obtained upon request from the Registered office of the Company at 900 - 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1, Tel: (604) 687-5700.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved and the delivery of it to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

Dated at Vancouver, British Columbia, this 14th day of August, 2015.

"George M. Burnes"

George M. Burnes
President and Director

SCHEDULE A
REPORTING PACKAGE OF CHANGE OF AUDITOR

SMARTCOOL™

CHANGE OF AUDITOR NOTICE

TO: British Columbia Securities Commission
Alberta Securities Commission

AND TO: James Stafford, Chartered Accountants
DeVISSER GRAY LLP

This notice is given pursuant to Part 4.11 of the National Instrument 51-102 of the Canadian Securities Administrators.

Smartcool Systems Inc. (the Company) hereby confirms:

(a) James Stafford, Chartered Accountants of Vancouver, British Columbia (the "Former Auditor") resigned as auditor of the Company on its own initiatives, effective March 13, 2015. DeVISSER GRAY LLP of Vancouver, British Columbia (the "Successor Auditor") was appointed as auditor of the Company, effective March 13, 2015;

(b) the resignation of the Former Auditor and the appointment of the Successor Auditor have been considered and approved by the Audit Committee of the Company and the Board of Directors of the Company;

(c) the Former Auditor's report on any of the Company's financial statements relating to the period commencing at the beginning of the Company's two most recently completed financial years and ending on March 13, 2015 did not express a modified opinion;

(d) there have been no "reportable events" (as defined in Part 4.11 of the National Instrument 51-102 of the Canadian Securities Administrators).

Dated at Vancouver, BC, this 16th day of March, 2015.

SMARTCOOL SYSTEMS INC.

"George Burnes"

George Burnes
Director

www.smartcool.net

Smartcool Systems Inc.
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V5E 4J6 Canada

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FAX +1 604 602 0674
EMAIL officeCanada@smartcool.net

DeVISSER GRAY LLP
CHARTERED ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
f 604.687.6737

March 16, 2015

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, B.C. V7Y 1L2

-and to-

Alberta Securities Commission
4th Floor, 300 – 5th Avenue S.W.
Calgary, Alberta T2P 3C4

Dear Sirs/Mesdames:

Re: Smartcool Systems Inc.
Notice Pursuant to National Instrument 51-102 – Change of Auditor

As required by the National Instrument 51-102 and in connection with our engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated March 16, 2015, and agree with the information contained therein, based upon our knowledge of the information relating to said notice and of the Company at this time.

Yours truly,

De Visser Gray LLP

De Visser Gray LLP
Per: Keith C. Macdonald Ltd.

JAMES STAFFORD

James Stafford, Inc.
Chartered Accountants
Suite 350 – 1111 Melville Street
Vancouver, British Columbia
Canada V6E 3V6
Telephone +1 604 669 0711
Facsimile +1 604 669 0754
www.JamesStafford.ca

16 March 2015

British Columbia Securities Commission
Alberta Securities Commission
Smartcool Systems Inc.

Subject: Smartcool Systems Inc. (the "Company")

Dear Sirs:

As required by National Instrument 51-102, we have reviewed the information contained in the Company's Change of Auditor Notice dated 16 March 2015 and we agree with the information contained in such notice.

We understand that the Change of Auditor Notice, along with this letter, will be provided to the Company's registered shareholders with the meeting materials relating to the Company's next annual general meeting of shareholders.

Yours truly,

"James Stafford"

Chartered Accountants

SCHEDULE B
SMARTCOOL SYSTEMS INC.
(the "**Company**")

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Audit Committee (the "**Committee**") of the Board of the Company is to provide an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

(a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;

(b) the Company's compliance with legal and regulatory requirements related to financial reporting; and

(c) the independence and performance of the Company's independent auditors.

The Committee shall also perform any other activities consistent with this Charter, the Company's Articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chair from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles ("GAAP"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditors' responsibility is to audit the Company's financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the

financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditors to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditors. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditors. The independent auditors shall report directly to the Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditors the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditors the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditors' judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditors without the presence of management.

8. Review with management and the independent auditors significant related party transactions and potential conflicts of interest.

2. Pre-approve all non-audit services to be provided to the Company by the independent auditors.

3. Monitor the independence of the independent auditors by reviewing all relationships between the independent auditors and the Company and all non-audit work performed for the Company by the independent auditors.

4. Establish and review the Company's procedures for the:

    (a) receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and

    (b) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

5. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

6. Perform such other functions and exercise such other powers as are prescribed form time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Canada Business Corporations Act* and the Articles of the Company.