



News Release

Gunpowder Capital Corp., Announces Filing of Offering Memorandum & Closing of the First Tranche of its Previously Announced Private Placement Raise.

FOR IMMEDIATE RELEASE

July 5th, 2016

Toronto, Ontario, July 5th, 2016 – Gunpowder Capital Corp., (CSE: GPC), (Frankfurt:YS6N) (the “Corporation”) announced today that it has filed its Offering Memorandum to issue up to Ten Million Dollars (“\$10,000,000.00”) CDN principal amount of Convertible Notes through a private offering to both Accredited and Sophisticated Investors.

The Notes have a maturity date of 36 months from the date of issuance, and accrue interest at the rate of 8% per annum, calculated and paid quarterly in arrears. The outstanding principal amount of the Notes is convertible into the Corporation’s “Series A” Preferred Shares at a price of \$10.00 per Preferred Share at any time, and from time to time, at the option of the holder in accordance with the terms and conditions set out in the Subscription Agreement and the certificate representing the Notes (the “Conversion Right”).

The Notes will be unsecured obligations of the Corporation. The Notes will rank equally with all other existing and future unsecured obligations of the Corporation. The Notes will be effectively subordinated to any existing and future secured obligations of the Corporation, to the extent of the value of the collateral securing such obligations.

The Corporation will have the option to prepay all or any portion of the outstanding principal amount of the Notes (the “Prepayment Option”) upon delivery of notice (a “Prepayment Notice”) to the holder thereof. A holder shall have a period of 10 business days from the date of delivery of a Prepayment Notice to indicate its intention to exercise the Conversion Right by delivering notice (a “Conversion Notice”) to the Corporation. If no Conversion Notice is delivered to the Corporation within such 10 business day period, a holder shall be deemed to have accepted prepayment as set out in the Prepayment Notice. The Notes are not listed on any stock exchange.

In connection with the offering, a finder’s fee may be paid consisting of a cash commission of up to 10% of the gross proceeds. Net proceeds of the financings will be used for strategic acquisitions, business development and for working capital purposes.

The Corporation also announced today that it has closed the first tranche of its non-brokered private placement raise which was announced on July 4th, 2016. In total, Sixty-Five Thousand, Five Hundred Dollars (“\$65,500.00”) CDN was raised via the sale of via the sale of Six Thousand, Five Hundred and Fifty (“6,650”) Series “A” Preferred Shares at \$10.00 per share. No commission or finder’s fee is payable with respect to the closing of this tranche of the placement.

Furthermore, the Corporation also announced today that Advantagewon Inc., which is a client of the Gunpowder Capital Corp., is postponing its initial public offering until further notice.

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Forward-Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such. Neither CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE accepts responsibility for the adequacy or accuracy of this release.