



TERM SHEET

Issuer:	Gunpowder Capital Corp. (the "Corporation")						
Size of Offering:	Up to \$10,000,000 worth of unsecured convertible notes (the "Notes").						
Term:	36 months.						
Price:	\$500.00 per Note.						
Interest Rate:	8% per annum, payable quarterly in arrears.						
Security:	The Notes will be unsecured.						
Conversion at Holder's Option:	Principal may be converted at any time in whole or in part at the purchaser's option into Class A Preferred Shares of the Corporation (each a " Preferred Share " and collectively the " Preferred Shares ") at a deemed conversion price of \$10.00 per Preferred Share (the " Conversion Price ").						
Prepayment Option:	<p>The Corporation will have the option, for the duration of the Term, to prepay a portion or all of the outstanding Notes (the "Prepayment Option").</p> <p>Additionally, if the Corporation elects to exercise the Prepayment Option, the holders of the Notes will be granted a period of 10 business days from the date which the Note Holders receive notice of the Corporation's intention to exercise the Prepayment Option (the "Prepayment Notice Period"), during which the holders of the Notes can elect to accept the prepayment of the Notes or to convert the Notes at the Conversion Price.</p>						
Resale Restrictions:	The Notes and underlying securities shall be subject to statutory resale restrictions under the applicable securities laws, including, without limitation, a four-month and one day "hold period" from the closing of the Offering pursuant to Canadian securities laws. The certificates representing the Notes and underlying securities will carry legends to that effect.						
Pre-Issue Capitalization (as at July 4, 2016):	<table><tr><td>- Common Shares:</td><td>24,909,254</td></tr><tr><td>- Preferred Shares:</td><td>55,246</td></tr><tr><td>- Notes:</td><td>Nil</td></tr></table>	- Common Shares:	24,909,254	- Preferred Shares:	55,246	- Notes:	Nil
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- Preferred Shares:	55,246						
- Notes:	Nil						
Use of Proceeds:	Investments and general working capital.						
Agents' Commission:	Up to 10% of the aggregate cash proceeds received from the sale of the Notes and other form of compensation as negotiated between the Agent and the Corporation.						
Conditions Precedent include:	<ol style="list-style-type: none">1. All required (a) shareholder, director and regulatory approvals; and (b) third party consents being received.2. Execution of all requisite definitive agreements including an investors' subscription agreement and form of note certificate.						
Closing:	The initial closing of the Offering shall close on or about July 29, 2016, and further closings will occur from time to time at the discretion of the Corporation.						