



Form 51-102F3 | Material Change Report

Item 1 – Name and Address of Company

Gunpowder Capital Corp. (the "Corporation")
47 Colborne Street, Suite 307
Toronto, Ontario, M5E 1P8

Item 2 – Date of Material Change

Nov 16th, 2016

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated Nov 16th, 2016, was disseminated through Newsfile Corp. A copy of the full News Release is attached to this report as "Schedule 'A'".

Item 4 – Summary of Material Change

The Corporation announced that had purchased an investment portfolio from YCF Capital Inc., ("YCF") a Toronto based private investment firm. At the time of the dissemination of the press release the portfolio had a face value of Five Hundred & Ninety-Eight Thousand Dollars ("598,000.00") CDN. The Corporation had agreed to issue Fifty-Nine Thousand & Eight Hundred ("59,800") of its "Class – A" Preferred Shares at Ten Dollars ("10.00") CDN per "Class – A" Preferred share, as consideration for the purchase.

The Corporation also announced that it is conducting a non-brokered private placement to raise up to One Million Five Hundred Thousand Dollars ("1,500,000.00") CDN by issuing up to One Hundred Fifty Thousand ("150,000") of its "Class – A" Preferred Shares at a price of \$10.00 CDN per share. The Corporation also announced that it had closed the first tranche of this offering. In total Sixty-One Thousand Dollars ("61,000.00") CDN was raised via the sale of Six Thousand, One Hundred ("6,100") a "Class - A" Preferred Shares. No commission or finder's fee is payable with respect to the closing of this tranche of the placement. These combined transactions have increased the number of Corporation's issued "Class – A" preferred shares from 71,796 (As At Nov 15th, 2016) to 137,696 (As At Nov 16th, 2016).

Item 5 – Full Description of Material Change

5.1 Full Description of Material Change

For a full description of the material change, see Schedule "A"

5.2 Disclosure for Restructuring Transactions

Not Applicable.

Item 6 – Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7 – Omitted Information

Not Applicable.

Item 8 – Executive Officer

Frank Kordy,
Interim Chief Executive Officer & Director
T: (647) 466-4037 | E: frank.kordy@gunpowdercapitalcorp.com

Item 9 – Date of Report

Nov 16th, 2016

Schedule "A"



News Release

Gunpowder Capital Corp., Purchases Investment Portfolio from YCF Capital Inc., Announces Non-Brokered Private Placement & Closing of First Tranche.

FOR IMMEDIATE RELEASE

Nov 16th, 2016

Toronto, Ontario, November 16th, 2016 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), (the “Corporation”) announced today that has purchased an investment portfolio from YCF Capital Inc., (“YCF”) a Toronto based private investment firm.

The YCF loan portfolio consists of mortgages and commercial loans all of which are in “good standing”. The loan portfolio that Gunpowder Capital Corp., is purchasing generates approximately 16% interest per annum and has a face value of Five Hundred & Ninety-Eight Thousand Dollars (“\$598,000.00”) CDN. The Corporation has agreed to issue Fifty-Nine Thousand & Eight Hundred (“59,800”) of its “Class – A” Preferred Shares at Ten Dollars (“\$10.00”) CDN per “Class – A” Preferred share, as consideration for the purchase.

The Corporation wishes to announce that it is also conducting a non-brokered private placement to raise up to One Million Five Hundred Thousand Dollars (“\$1,500,000.00”) CDN by issuing up to One Hundred Fifty Thousand (“150,000”) of its “Class – A” Preferred Shares at a price of \$10.00 CDN per share. The Series “A” preferred shares will pay up to an 8% annual dividend to the holders of the preferred shares. Furthermore, holders of the Preferred Shares will also see a 25% of after tax realized gains on any capital dispositions. No special voting rights will be granted to the holders of the Preferred Shares. In connection with the preferred share offering, a finder’s fee may be paid consisting of a cash commission equal up to 8% of the gross proceeds raised under the offering. The placement is expected to close on, or before, February 16th, 2017.

Furthermore, the Corporation would like to announce that it has closed the first tranche of this offering. In total Sixty-One Thousand Dollars (“\$61,000.00”) CDN was raised via the sale of Six Thousand, One Hundred (“6,100”) a “Class - A” Preferred Shares. No commission or finder’s fee is payable with respect to the closing of this tranche of the placement.

For further information please contact:

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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.