GUNPOWDER CAPITAL CORP.

(Formally Silver Shield Resources Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

The following is Management's Discussion and Analysis ("MD&A") of the financial condition of Gunpowder Capital Corp. ("Gunpowder" or the "Company") and the financial performance for the three and nine months ended September 30, 2016. This information, prepared as of November 28, 2016, and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Gunpowder for the three and nine months ended September 30, 2016, as well as the audited consolidated financial statements for the year ended December 31, 2015 and the related management's discussion and analysis (the "Annual MD&A"). The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

Forward Looking Statements

This MD&A, and specifically the "Outlook" section contains or incorporates forward-looking statements within the meaning of Canadian securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to, among other things, revenue, earnings, changes in cost and expenses, capital expenditures and other objectives, strategic plans and business development goals, and may also include other statements that are predictive in nature or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events.

Although the Company believes the expectations reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Undue reliance should not be placed on such statements. Certain material assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. The forward-looking statements contained in this MD&A are made as at the date of this MD&A and, accordingly, are subject to change after such date. Except as required by law, the Company, does not undertake any obligation to update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and uncertainties".

Overview

Listed on the Canadian Securities Exchange under the trading symbol "GPC" Gunpowder is a newly formed Merchant Bank and Advisory Services Firm. In May 2016 Gunpowder Capital Corp. (formerly Silver Shield Resources Corp.) implemented its new business model under the leadership of a new management team.

As a merchant bank and advisory services firm, Gunpowder provides financial capital and capital markets advisory services. The Company offers a variety of financing options including mezzanine debt, bridge loans, convertible debentures and straight loans as well as equity financing. Our goal when investing is to as best as possible ensure the preservation of capital and structure upside for our stakeholders through participation opportunities such as royalties, equity or options. Our main focus with advisory services is to assist companies that are interested in going public, however, we are also involved with general capital markets advisory services and advising on mergers and acquisitions.

Business Objectives and Milestones

Gunpowder's primary focus for 2016 (set in 2015 while still Silver Shield Resources) was to transform itself from a junior mining company to a merchant bank. Following our listing on the Canadian Stock Exchange ("CSE") at the end of 2015 we set goals of:

1. Obtaining shareholder and regulatory approval to become a merchant bank.

On May 16, 2016 we received final approval from the CSE and official became a merchant bank.

2. Create and issue a new class of preferred shares to help fund financing initiatives.

On January 28, 2016 the Shareholders approved the creation of various classes of preferred shares.

3. Create an offering memorandum to allow the Company to issue debt securities.

4. On July 5, 2016 we announced the filing of an offering memorandum.

5. Begin to launch the merchant banking services offering across our network and start to build portfolio of transactions.

While still early in our transition to a merchant bank we have entered into various engagements including, Cardiff Resources, Advantagewon Inc., Payfare Inc., and Truxmart Inc. We have a robust pipeline of opportunities and look forward to continuing to grow our portfolio and announcing further deals as they are consummated.

6. Examine and if appropriate look for long term portfolio type investments to support our merchant banking model.

During the second quarter of 2016 we established GP Realty Inc. and announced the acquisition of our first building. We also announced the formation of GP Self Storage Inc. Subsequent to the third quarter we closed our first self-storage acquisition and announced the acquisition of the second building for GP Realty. We believe that real estate holdings will provide both steady cash flow, profit and capital appreciation which will complement our merchant banking services which can be more volatile in nature and timing.

Highlights for the Quarter

Gunpowder continues to execute on its strategic and operational initiatives as highlighted during the quarter and shortly thereafter:

July 4, 2016 we formed GP Realty Inc. and announced the acquisition of our first property.

July 6, 2016 we announced the formation of GP Self Storage Inc. and the entering into a term sheet to acquire our first property. The acquisition closed subsequent to our quarter end.

July 29, 2016 we entered into various agreements with Franchise Holdings International, Inc. to list them on the CSE and fund their wholly owned subsidiary Truxmart Inc.

August 31, 2016 we listed our preferred shares on the CSE.

September 9, 2016 we disposed of our legacy mining assets.

September 22, 2016 we were engaged by Payfare Inc., to assist in their going public strategy.

Subsequent to our quarter end we signed an additional go public mandate, acquired loan assets, and announced the pending acquisition of our second building for GP Realty.

Outlook

The third quarter of 2016 was another strong quarter for Gunpowder as we continued to build our brand and grow our asset base. This is only our second full quarter in operation as a merchant bank and the Company believes that it is well positioned to continue with the growth it has demonstrated to date. We have a robust sales pipeline and hope to announce other mandates and opportunities that we have been working on in the coming quarters.

Quarterly Results

The following table shows our results of operations for the last eight quarters.

	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Revenue	45,336	22,195	12,194	-	-	-	-	-
Income (Loss)	(629,249)	(408,371)	(148,726)	(1,525,729)	(2,689)	(28,561)	(44,207)	(18,242)
Earnings (Loss) per share	(0.03)	(0.02)	(0.01)	(0.15)	(0.00)	(0.00)	(0.00)	(0.00)
Cash and Cash Equivalents	397,664	479,052	339,659	171,961	383,558	36,877	-	-
Mineral Properties	-	954,175	954,175	954,175	2,204,175	2,204,500	2,204,500	2,204,500
Real Estate Assets	464,572	464,791	-	-	-	-	-	-
Loans and other investment assets	417,097	338,878	283,320	-	-	-	-	-
Dividends Paid	11,344	5,148	-	-	-	-	-	-

Results of Operations

The following table shows the results of operations for the three and nine months of 2016 compared to the same periods last year:

	Three Months Ended Sept.30,		Nine Months Ended Sept. 30,	
	2016	2015	2016	2015
INCOME				
Rental	$ 8,451	$ -	$ 8,451	$ -
Interest	15,649	$ -	39,774	$ -
Consulting fees	21,236	-	15,851	-
TOTAL INCOME	45,336	-	79,725	-
EXPENSES				
Management fees	28,653	35,645	171,000	35,645
Consulting and other professional fees	16,162	-	181,120	-
Stock based compensation expense	14,100	-	121,800	-
Legal and audit fees	5,650	13,622	18,634	16,856
Marketing and investor relations	19,328	2,143	69,183	2,454
Travel and accommodations	10,685	-	48,149	-
Transfer agent and filing fees	4,632	9,500	52,775	32,487
General, office and administrative	55,854	1,845	74,179	10,185
Loan interest	2,189	5,000	2,189	15,195
Royalty expenses	-	13,500	-	27,000
Property taxes	662	-	2,055	-
Bank service charges	923	140	1434	202
NET LOSS BEFORE OTHER ITEMS	-133,502	-67,895	-662,793	-140,024
Amortization	-7,107	-288	-7,584	-862
(Write-off) / recovery mining prop.	-510,442	65,494	-510,442	65.494
Foreign exchange loss	1,802	-	-5,527	-
	-515,747	65,206	-523,553	64,632
LOSS & COMPREHENSIVE LOSS	$ -629,249	$ -2,689	$ -1,186,346	$ -75,392
Basic and diluted loss per share	$ -0.03	$ 0.00	$ -0.06	$ 0.00
Weighted average number of shares outstanding – basic and diluted	24,909,256	8,763,915	21,393,740	8,648,908

Third Quarter of Fiscal 2016

As noted previously the third quarter was the Company's second full quarter as a merchant bank. Revenue for the quarter was $45,336; no revenue was earned in the prior year as the Company was still engaged in its legacy junior mining business. Revenue increased in the current quarter compared to the prior quarter as a result of the addition of rental income from the building we acquired as well as an increase in interest income from our growing loan portfolio.

Operating expenses before other items for the quarter was $158,838. Of that total, $14,100 was a non cash charge for stock options granted in the quarter. Now that the Company is pursuing its merchant banking model it is incurring significant costs for travel and accommodations ($10,685) and consulting and professional fees ($16,152) to review deals, conduct due diligence and close on transactions. The Company also incurred $19,328 in marketing and investor relations costs as it invested in several outreach programs to support its launch as a merchant bank and generate investor awareness. Excluding stock based compensation our costs on an overall basis were in line with prior quarters.

The Company also incurred a non-cash loss of $510,442 on the disposal of its legacy mining assets.

Fiscal 2016 Year-to-Date

Revenue for the nine months ended September 30, 2016 was $79,725, no revenue was earned in the prior year as the Company was still engaged in its legacy junior mining business.

Operating expenses before other items for the nine months was $742,519. Of that total, $121,800 was a non cash charge for stock options granted primarily in the second quarter. Now that the Company is pursuing its merchant banking model it is incurring significant costs for travel and accommodations ($48,149) and consulting and professional fees ($181,120) to review deals, conduct due diligence and close on transactions. The Company also incurred $69,183 in marketing and investor relations costs as it invested in several outreach programs to support its launch as a merchant bank and generate investor awareness.

As noted above, the Company incurred a non-cash loss of $510,442 on the disposal of its legacy mining assets.

Liquidity and Capital Resources

The following table summarizes year-to-date cash flows for the current year and prior year periods:

	Nine Months Ended Sept. 30,	
	2016	2015
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	-720,630	21,182
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	1,690,002	362,438
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	-743,669	0
	225,703	383,620
Opening balance	171,961	-61
Cash and cash equivalents	397,664	383,559

In addition to the operating activities discussed above, the Company generated $1,690,002 from financing activities (see notes to financial statements for details of these transactions) and invested $743,669 by acquiring a residential apartment building, making equity investments and loaning out additional funds to support client growth.

As at September 30, 2016 the Company had current assets of $745,940 to settle current liabilities of $142,931.

To successfully pursue its merchant banking model, the Company plans to continue to raise debt and equity in order to pursue additional deals and build scale.
The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, shareholders may suffer dilution. If adequate financing is not available, the Company may be required to sell its interests in some or all of its assets /

holdings or current properties and / or reduce or terminate its operations.

Additional Disclosures

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as at the date of the financial statements. Each of these required estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Estimates are deemed critical when the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. The Company's significant accounting policies are discussed in note 1 of the Notes to 2015 Annual Audited Financial Statements. Critical accounting estimates remain unchanged from those previously disclosed.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Financial instruments

The Company's financial instruments consist of cash, accounts receivable, notes receivable, and accounts payable and accrued liabilities. All are measured at their amortized cost which approximates their fair value due to their short-term nature.

The Company classifies fair values of financial instruments within a three-level hierarchy that prioritizes the inputs to fair value measurement and reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. As at September 30, 2016, the Company had no financial instruments measured at fair value and requiring classification in the hierarchy.

Outstanding share data

As at September 30, 2016, the Company had 24,909,256 common shares issued and outstanding, and 71,796 preferred shares issued and outstanding. In addition, the Company has 3,192,837 common share purchase warrants outstanding priced at between \$0.15 and \$0.25 and 1,725,000 stock options entitling the holder to acquire an additional share by paying \$0.10 per common share.

As at November 28, 2016, the Company had 27,409,254 common shares issued and outstanding, and 147,496 "Class-A" preferred shares issued and outstanding. In addition, the Company has 3,560,137 common share purchase warrants outstanding priced at \$0.15 and 1,725,000 stock options entitling the holder to acquire an additional share by paying \$0.10 per common share.

Related Party Transactions

Key personnel is defined as those who have authority and responsibility for planning, directing, controlling the activities of the Company, directly or indirectly. That includes all directors of the Company.

Transactions with related parties in the normal course of business measured and recorded at the exchange amount, as agreed between the parties.

7. During the nine month period ended September 30, 2016, companies related to or controlled by officers and directors of the Company were paid $182,062 for consulting and management fees.

8. As at September 30, 2016, the Company accrued $5,374 in fees and expenses which are due and payable to directors or officers. The amount is unsecured, non-interest bearing and due on demand.

A summary of directors and senior management remuneration of the Company for the nine months ended September 30, 2016, is as follows:

Remuneration of senior management	$137,062
Remuneration of directors	45,000
Stock based compensation	121,800
Total	**$303,862**

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or with respect to any obligations under a variable interest equity arrangement.

Proposed Transactions

The Company is not party to any proposed transactions that have not be disclosed elsewhere in this MD&A.

Subsequent Events

1. On October 3, 2016, the Company declared a dividend of $0.20 per outstanding Class - A Preferred Share.

2. On October 11, 2016, the Company's fully owned subsidiary GP Self Storage completed its first acquisition acquiring a fully automated storage facility in Madoc Ontario. The purchase price was $299,000 of which half was funded by the Company with the remaining balance funded by a mortgage from a large Canadian financial institution via a 15 year mortgage bearing interest at 4.1% per annum.

3. On November 15, 2016 the Company acquired a commercial loan portfolio with a face value of $598,000 via the issuance of 59,800 Class - A Preferred Shares.

4. Also on November 15, 2016 the Company closed an additional $61,000 through the issuance of 6,100 Class - A Preferred Shares.

5. Subsequent to the quarter end 352,700 common stock purchase warrants expired unexercised.

6. On November 25, 2016 the Company learned that Cardiff Energy Corp. issued a press release that it plans a share rollback and intends to pursue new business ventures. Given that the Gunpowder loan to Cardiff Energy Corp., is secured by a first ranking General Security Agreement "GSA" over all of the assets of Cardiff Energy Corp., Gunpowder does not believe that the loan to Cardiff is currently impaired, however, the Company did not book any interest on the loan in the current quarter.

Additional Information

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