



## Form 51-102F3 | Material Change Report

### Item 1 – Name and Address of Company

Gunpowder Capital Corp. (the "Corporation")  
8 King Street East | Suite 1005  
Toronto, Ontario | M5C 1B5

### Item 2 – Date of Material Change

Dec 19<sup>th</sup>, 2016

### Item 3 – News Release

A news release for Gunpowder Capital Corp., dated Dec 19<sup>th</sup>, 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

Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), ("Gunpowder" of the "Corporation") announced today that it has closed the second tranche of its previously announced (Nov 16<sup>th</sup>, 2016) non-brokered private placement raise. In total, One Hundred and Forty Thousand, Five Hundred Dollars ("140,500.00") CDN was raised via the sale of Fourteen Thousand and Fifty ("14,050") a "Class - A" Preferred Shares. No commission or finder's fee is payable with respect to the closing of this tranche of the placement.

In total, combined with the closing of both the first and second tranches of this offering, the Corporation has now raised Two Hundred and One Thousand, Five Hundred Dollars ("201,500.00") CDN via the issuance of Twenty Thousand, One Hundred and Fifty ("20,150") "Class - A" Preferred Shares.

The completion of this transaction has increased the number of Corporation's issued "Class – A" preferred shares from 147,096 (As At Dec 16<sup>th</sup>, 2016) to 161,146 (As At Dec 19<sup>th</sup>, 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

Dec 19<sup>th</sup>, 2016

## **Schedule "A"**



## News Release

### **Gunpowder Capital Corp., Announces Closing of the Second Tranche of its Current Private Placement Raise.**

**FOR IMMEDIATE RELEASE**

**Dec 19<sup>th</sup>, 2016**

**Toronto, Ontario, December 19<sup>th</sup>, 2016** – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), (“Gunpowder” of the “Corporation”) announced today that it has closed the second tranche of its previously announced (Nov 16<sup>th</sup>, 2016) non-brokered private placement raise. In total, One Hundred and Forty Thousand, Five Hundred Dollars (“\$140,500.00”) CDN was raised via the sale of Fourteen Thousand and Fifty (“14,050”) a “Class - A” Preferred Shares. No commission or finder’s fee is payable with respect to the closing of this tranche of the placement.

In total, combined with the closing of both the first and second tranches of this offering, the Corporation has now raised Two Hundred and One Thousand, Five Hundred Dollars (“\$201,500.00”) CDN via the issuance of Twenty Thousand, One Hundred and Fifty (“20,150”) “Class - A” Preferred Shares.

The “Class - 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.

**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.