



News Release

Gunpowder Capital Corp., Announces Amendments to the Cardiff Energy Corp., Loan Agreement

FOR IMMEDIATE RELEASE

Jan 6th, 2017

Toronto, Ontario, January 6th, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), (“Gunpowder” of the “Corporation”) announced today that it has agreed to amend the terms of the loan agreement it entered into with Cardiff Energy Corp.

Gunpowder has agreed that it will convert the remaining outstanding balance of One Hundred & Thirty-Six Thousand Dollars (“\$136,000.00”) CDN of unpaid principle and interest which is owed to Gunpowder by Cardiff Energy Corp., into equity of Cardiff Energy Corp., on the condition that Cardiff is successful in raising a minimum of Seven Hundred and Fifty Thousand Dollars (“\$750,000.00”) CDN from its current One Million Dollar (“\$1,000,000.00”) CDN non-brokered private placement raise that Cardiff is currently conducting. Before the amendment, Cardiff previously made payments totaling Forty-Eight Thousand Dollars (“\$48,000.00”) CDN to Gunpowder.

Should Cardiff successfully raise the minimum amount specified, the conversion price of the debt owing to the Gunpowder will be at ten cents (“\$0.10”) per share. If Cardiff completes its non-brokered financing in full, and should Gunpowder convert all of the outstanding debt into equity, Gunpowder would own a 14.3% stake in the restructured Cardiff Energy Corp.

Gunpowder Capital Corp., still maintains a first ranking General Security Agreement (“GSA”) on all of the assets of Cardiff Energy Corp., including its US operations. Gunpowder will continue to hold the GSA in place until all of the outstanding debt is converted into equity.

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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.