



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

Feb 1st, 2017

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated Feb 1st, 2017, 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 that its fully owned subsidiary GP Realty Inc., had completed its previous announced (see press release dated November 21st, 2016) purchase of 63 Wellington St, a fully tenanted residential rental property located in London, Ontario. Total purchase price of the property was Seven Hundred & Twenty-Five Thousand Dollars ("\$725,000.00") CDN. The purchase closed on January 31st, 2017. The Corporation made a down payment of One Hundred and Eighty Thousand Dollars ("\$180,000.00") CDN and secured a 25 year fixed-rate mortgage at 4.2% per annum from a major Canadian financial institution. The property will generate cash on cash return in excess of 16% per annum for the Corporation. This purchase has changed the corporation's current cash position, and it is anticipated that this purchase will increase the Corporation's incoming revenue stream.

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

Feb 1st, 2017

Schedule "A"



News Release

Gunpowder Capital Corp., Subsidiary Completes Purchase of Second Real Estate Asset.

FOR IMMEDIATE RELEASE

Feb 1st, 2017

Toronto, Ontario, February 1st, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), (“Gunpowder” of the “Corporation”) announced today that its fully owned subsidiary GP Realty Inc., has completed its previous announced (see press release dated November 21st, 2016) purchase of 63 Wellington St, a fully tenanted residential rental property located in London, Ontario.

Total purchase price of the property was Seven Hundred & Twenty-Five Thousand Dollars (“\$725,000.00”) CDN. The purchase closed on January 31st, 2017. The Corporation made a down payment of One Hundred and Eighty Thousand Dollars (“\$180,000.00”) CDN and secured a 25 year fixed-rate mortgage at 4.2% per annum from a major Canadian financial institution.

The property will generate cash on cash return in excess of 16% per annum for the Corporation.

Mr. Paul Haber stated: “As previously stated, this property compliments GP Realty’s previous purchase of 57 Wellington St., as the two properties are connected by the same parking lot. Combined, the two buildings are expected to generate approximately One Hundred and Twenty Thousand Dollars (“\$120,000.00”) CDN per annum in rental revenue. As is the case with 57 Wellington St., we strongly believe that we can improve the return on 63 Wellington St., through rent increases to market levels, and by making modifications to the building, and by finding efficiencies in the way the building is managed. We continue to source potential real estate assets in both the residential and commercial spaces throughout Ontario.”

For further information please contact:

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Gunpowder Capital Corp.
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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.