



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 2nd, 2017

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated Feb 2nd, 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 it had closed the fourth tranche of its previously announced non-brokered private placement raise. In total, Six Hundred and Ninety-Two Thousand, Two Hundred Dollars ("692,200.00") CDN was raised via the sale of Sixty-Nine Thousand, Two Hundred and Twenty ("69,220") "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 this tranche and the first three tranches of this offering, the Corporation has now raised One Million, Three Hundred and Twenty-Nine Thousand, Six Hundred and Forty Dollars ("1,329,640.00") CDN via the issuance of One Hundred and Thirty-Two Thousand, Nine Hundred and Sixty-Four ("132,964") "Class - A" Preferred Shares. The Corporation also announced today that was also conducting a secondary non-brokered private placement to raise up to Two Hundred Thousand Dollars ("200,000.00") CDN by issuing up to Twenty Thousand ("20,000") of its "Class - B" Preferred Shares at a price of \$10.00 CDN per share. The "Class - B" shares are currently not listed on any stock exchange. The Corporation announced that it had closed this offering. In total One Hundred Thousand and Ninety-Six Thousand, Five Hundred Dollars ("196,500.00") CDN was raised via the sale of Nineteen Thousand, Six Hundred and Fifty ("19,650") "Class - B" Preferred Shares. The completion of this transaction has increased the number of Corporation's issued "Class - A" preferred shares from 228,540 (As At Feb 1st, 2017) to 297,760 (As At Feb 2nd, 2017) and the completion of this transaction has increased the number of Corporation's issued "Class - B" preferred shares from 0 / NIL (As At Feb 1st, 2017) to 19,650 (As At Feb 2nd, 2017).

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 2nd, 2017

Schedule "A"



News Release

Gunpowder Capital Corp., Announces Closing of the Fourth Tranche of its Current “Class-A” Private Placement Raise, Commencement and Closing of its “Class-B” Private Placement Raise.

FOR IMMEDIATE RELEASE

February 2nd, 2017

Toronto, Ontario, February 2nd, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), (“Gunpowder” of the “Corporation”) announced today that it has closed the fourth tranche of its previously announced (Nov 16th, 2016) non-brokered private placement raise. In total, Six Hundred and Ninety-Two Thousand, Two Hundred Dollars (“\$692,200.00”) CDN was raised via the sale of Sixty-Nine Thousand, Two Hundred and Twenty (“69,220”) “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 this tranche and the first three tranches of this offering, the Corporation has now raised One Million, Three Hundred and Twenty-Nine Thousand, Six Hundred and Forty Dollars (“\$1,329,640.00”) CDN via the issuance of One Hundred and Thirty-Two Thousand, Nine Hundred and Sixty-Four (“132,964”) “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 will close on February 16th, 2017. All securities issued are subject to a four-month statutory hold period.

The Corporation also announced today that it is also conducting a secondary non-brokered private placement to raise up to Two Hundred Thousand Dollars (“\$200,000.00”) CDN by issuing up to Twenty Thousand (“20,000”) of its “Class – B” Preferred Shares at a price of \$10.00 CDN per share. The “Class – B” shares are currently not listed on any stock exchange. The “Class - B” preferred shares will also pay up to an 8% annual dividend to the holders of the preferred shares. The shareholders of the “Class – B” 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 “Class- B” Preferred Shares. Furthermore, the Corporation would like to announce that it has closed this offering. In total One Hundred Thousand and Ninety-Six Thousand, Five Hundred Dollars (“\$196,500.00”) CDN was raised via the sale of Nineteen Thousand, Six Hundred and Fifty (“19,650”) “Class - B” Preferred Shares. No commission or finder’s fee is payable with respect to the closing of this 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.