



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

May 25th, 2017

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated May 25th, 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" or the "Corporation") announced that its fully owned subsidiary GP Realty Inc., had completed the purchase of 1209 Hickory Road, a fully tenanted residential rental property located in Windsor, Ontario. Total purchase price of the property was One Hundred & Thirty-Five Thousand Dollars ("\$135,000.00") CDN. The purchase closed on May 24th, 2017. The Corporation also announced that it was working on refinancing the property with several financial institutions. Assuming Gunpowder obtains a 75% LTV mortgage, Gunpowder estimates that the cash on cash return generated will be in excess of 25% per annum.

The completion of this transaction is defined and deemed as being a "property acquisition" as by NP 51-201. Furthermore, the property will be purchased via a mortgage, and therefore defined as "mortgaging of a company asset" as by NP 51-201.

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

May 25th, 2017

Schedule "A"



News Release

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

FOR IMMEDIATE RELEASE

May 25th, 2017

Toronto, Ontario, May 25th, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that its fully owned subsidiary GP Realty Inc., has completed the purchase of 1209 Hickory Road, a fully tenanted residential rental property located in Windsor, Ontario.

Total purchase price of the property was One Hundred & Thirty-Five Thousand Dollars (“\$135,000.00”) CDN. The purchase closed on May 24th, 2017. The Corporation is working on refinancing the property with several financial institutions. Assuming Gunpowder obtains a 75% LTV mortgage, Gunpowder estimates that the cash on cash return generated will be in excess of 25% per annum.

Mr. Paul Haber stated: “We continue to make significant progress in developing the Corporation’s business model and increasing the Corporation’s total asset base via real estate acquisitions, securing consulting contracts and via investments. We continue to source additional real estate assets in both the residential and commercial spaces throughout Ontario.”

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.