



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 31st, 2017

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated May 31st, 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 it had closed the second tranche of its "Class – A" Preferred Shares non-brokered private placement raise. In total One Hundred and Thirty-Five Thousand, Nine Hundred Dollars ("135,900.00") CDN was raised by issuing Thirteen Thousand, Five Hundred and Ninety ("13,590") of the Corporation's "Class – A" Preferred Shares at a price of \$10.00 CDN per share.

The completion of this transaction has affected the Corporation's "Class – A" Preferred share structure by increasing the total number of the Corporation's issued and outstanding "Class – A" Preferred shares from 349,540 (As At May 30th, 2017) to 363,130 (As At May 31st, 2017). This transaction is deemed as "a public or private sale of additional securities" 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,
Chief Executive Officer & Director
T: (647) 466-4037 | E: frank.kordy@gunpowdercapitalcorp.com

Item 9 – Date of Report

May 31st, 2017

Schedule "A"



News Release

Gunpowder Capital Corp., Closes Second Tranche of its Non-Brokered Private Placement Raise.

FOR IMMEDIATE RELEASE

May 31st, 2017

Toronto, Ontario, May 31st, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that it has closed the second tranche of its “Class – A” Preferred Shares non-brokered private placement raise. In total One Hundred and Thirty-Five Thousand, Nine Hundred Dollars (“\$135,900.00”) CDN was raised by issuing Thirteen Thousand, Five Hundred and Ninety (“13,590”) of the Corporation’s “Class – A” Preferred Shares at a price of \$10.00 CDN per share. The “Class – A” Preferred Shares will pay up to an 8% annual dividend to the holders of the preferred shares. The shareholders of the “Class – A” 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 – A” Preferred Shares. No commission or finder’s fee is payable with respect to the closing of the placement. All “Class – A” Preferred shares issued in connection with this tranche of this placement will be subject to a four month plus one day hold period under applicable Canadian securities laws.

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.