



News Release

Gunpowder Capital Corp., Enters Into Debt Settlement Agreement With Cardiff Energy Corp.

FOR IMMEDIATE RELEASE

June 12th, 2017

Toronto, Ontario, June 12th, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTC PINK: GNPWF), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that it has agreed to convert Eighty Thousand Dollars (“\$80,000.00”) CDN worth of debt owed to Gunpowder, by Cardiff Energy Corp., (TSXV:CRS), (“Cardiff”) into equity of Cardiff Energy Corp.

Pending TSX Venture Exchange approval, Cardiff Energy Corp., will immediately issue Gunpowder One Million (“1,000,000”) Common Shares at a deemed price of Eight Cents (“\$0.08”) CDN per Common Share. Upon the issuance of the Cardiff Common Shares to Gunpowder, and following the completion of the transaction, Gunpowder will own approximately 5.75% of the issued and outstanding Common Shares of Cardiff Energy Corp., and therefore, the proposed transaction will not create a new control person of Cardiff Energy Corp., as defined by National Instrument policies.

All Common Shares issued in connection with this proposed transaction will be subject to the approval of the TSX Venture Exchange and will be subject to a four-month plus one day statutory hold period, in accordance with applicable securities legislation.

Upon the completion of this transaction, Cardiff Energy Corp., will still owe Gunpowder Sixty-Eight Thousand, Four Hundred and Eighty-Nine Dollars (“\$68,489.00”) CDN. Interest on the loan will continue to accrue at 2% per month. Gunpowder may, or may not elect to convert the remaining outstanding amount owing into equity of 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 or until the remaining balance is paid in full.

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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.