



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

August 15th, 2017

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated August 15th, 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 has conducted, and that it has closed, a non-brokered private placement raise where Seven Hundred and Ten Thousand Dollars ("\$710,000.00") CDN was raised by issuing Seventy-One Thousand ("71,000") 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 369,130 (As At Aug 14th 2017) to 440,130 (As At Aug 15th, 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,
CEO, Secretary & Director
T: (647) 466-4037 | E: frank.kordy@gunpowdercapitalcorp.com

Item 9 – Date of Report

August 15th, 2017

Schedule "A"



News Release

Gunpowder Capital Corp., Raises \$710,000.00 CDN via a Non-Brokered Private Placement Raise.

FOR IMMEDIATE RELEASE

Aug 15th, 2017

Toronto, Ontario, August 15th, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTC PINK: GNPWF), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that it has conducted, and that it has closed, a non-brokered private placement raise where Seven Hundred and Ten Thousand Dollars (“\$710,000.00”) CDN was raised by issuing Seventy-One Thousand (“71,000”) 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.

In connection with the closing of the Offering, Gunpowder paid finder's fees in the aggregate amount totaling Forty-Eight Thousand, Eight Hundred Dollars (“\$48,800.00”) CDN in connection with certain subscriptions for the Corporation’s “Class-A” Preferred Shares. All “Class – A” Preferred Shares issued in connection with the closing of this placement will be subject to a four month plus one day hold period under applicable Canadian securities laws. Proceeds from this offering will be used exclusively for acquisitions and for general working capital purposes.

About Gunpowder Capital Corp.

Gunpowder Capital Corp., is a merchant bank and advisory services firm based in Toronto, Ontario, Canada. Gunpowder invests in both publicly traded and private businesses that have successful management teams and attractive economic models. Gunpowder partners with these businesses to support their growth initiatives with its proven methodology of appropriate financing and structured exits. Gunpowder offers debt financing, including mezzanine and bridge loans, equity financing and advisory services. Gunpowder is also building a portfolio of companies in which it takes a long term position and view.

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.