



News Release

Gunpowder Provides Blockchain Investment Update

FOR IMMEDIATE RELEASE

Jan 25th, 2018

Toronto, Ontario, January 25th, 2018 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTCQB: GNPWF), (Frankfurt: YS6N), (“Gunpowder”) is pleased to announce that its investee company, BitBlox Technologies Inc. (“BitBlox”), a leading-edge technology company that focuses on the mining of cryptocurrencies like Ether (ETH), Bitcoin (BTC) and Zcash (ZEC), and the development of next generation cryptocurrency technologies, has launched its first proprietary Cryptocurrency Mining facility, located in Southwestern Ontario. BitBlox has also entered into an agreement with Gunpowder to provide BitBlox back office administration support. BitBlox and Gunpowder expect to expand their strategic relationship in the coming months.

Cryptocurrency “mining” is the term used for transaction verification services provided within a blockchain network. The verification process uses computing and cryptography to solve complex mathematical transactions. Successfully verified transactions get added to a public ledger, more commonly known as the blockchain. Individual blocks, added by cryptominers like BitBlox, are called a proof of work (POW) and results in the release of new currency or “coins” – which are the incentive for miners participating on the network.

As demand increases within the crypto economy, higher fees for verifying transactions have added to the Crypto Mining value proposition. BitBlox Technologies offers a targeted approach to operational efficiency that takes best advantage of the enhanced profit potential within the sector. Located in a 5,000-sq. ft. leased facility (with an option to expand to 10,000 sq. ft.), BitBlox has retrofitted its cryptocurrency mining facility for optimized performance of its operations. State of the art facility solutions are used, with mining hardware customized to be more power efficient and deliver higher computational ability than most other systems generally available on the market. Highly optimized hardware configurations and strategic and advanced facility planning translates into a well-tuned and efficient mining infrastructure and capability, positioning BitBlox with a market advantage.

For its initial Proof of Concept (POC), BitBlox is deploying 126 GPU card equivalents of processing capability, with a potential planned scale-up to 8000 GPU card equivalents within a six-month timeframe. The operation has a primary focus on GPU mining to harvest value within the burgeoning alt coin market, which the Company anticipates growing larger as the smart contract functionality unique to the Ethereum blockchain, as one example, sees further adoption. At the same time, the BitBlox mining operation takes a balanced approach, switching to ASIC mining on the Bitcoin blockchain at times when rates of return are proved more favorable.

Moving forward, the BitBlox vision is to constantly seek better ROI through investments in leading-edge and proprietary technology. As the blockchain continues to scale and see adoption as the global network for value transfer, BitBlox is investing in the development of crypto-mining IP and other relevant applications. The Ethereum blockchain in particular is designed as a matrix for smart contract functionality. BitBlox envisions the building out of this technology through development of machine learning and other forms of AI. Its business priority is to invest in R&D to enhance ongoing value capture within in this emerging sector.

About BitBlox Technologies Inc.

BitBlox Technologies Inc. is building a high value cryptocurrency enterprise. BitBlox mines cryptocurrencies, such as Ether and Zcash, and offers value-added technology services for the cryptocurrency market, such as crypto-mining proprietary software.

Offering a complete ecosystem of value-creation, BitBlox cryptocurrency mining will provide the basis for an innovative token product that is monetized according to mining profit margins. A percentage of these profits will be invested in the development of a proprietary Artificial Intelligence (“AI”) based technology. Overall, BitBlox takes an approach that enables the company to scale, and respond to changing conditions, within the still-emerging cryptocurrency industry.

Part of a wave of emerging technologies, cryptocurrencies are indivisible from a new virtual economy that is powered in part by smart contract and other AI-based integrations. Cryptocurrency and value mining are central to this new paradigm. Taking a robust and diversified business approach, BitBlox Technologies Inc. is poised to capture value in successive phases as this industry continues to scale.

Please visit: www.bitbloxtechnologies.com

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 more information please visit www.gunpowdercapitalcorp.com

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Forward-Looking Statements

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