



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

October 17th, 2018

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated October 17th, 2018, 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), (OTCQB: GNPWF), (Frankfurt: YS6N) announced that it has closed the first and final tranche of its previously announced non-brokered private placement raise. \$154,241,00 CDN was raised in this tranche via the sale of 3,084,828 Units at a price of \$0.05 CDN per Unit. The Corporation also announced today that it had conducted, and that it has closed, a non-brokered private placement raise where \$57,700.00 CDN was raised by issuing 5,750 of the Corporation's "Class – A" Preferred Shares at a price of \$10.00 CDN per share. The Corporation also announced that it had entered into a debt settlement agreement where the Corporation will issue 500,000 common shares at a deemed price of \$0.05 CDN per common share, to settle \$25,000.00 CDN of debt due to one creditor.

The completion of both the closing of the Units financing transaction and the issuance of the 500,000 Common Shares to settle debt are material events as defined by NP 51-201 as the issuances will increase the number of the Corporation's issued Common Shares from 31,510,256 (As At October 16th, 2018) to 35,095,084 (As At October 17th, 2018).

The completion of Class – A Shares financing transaction is a material events as defined by NP 51-201 as the issuances will increase the number of the Corporation's issued Class – A Shares from 467,270 (As At October 16th, 2018) to 472,970 (As At October 17th, 2018).

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

October 17th, 2018

Schedule "A"



News Release

Gunpowder Capital Corp., Raises \$211,741.00 CDN via Non-Brokered Private Placement Raises

FOR IMMEDIATE RELEASE

October 17th, 2018

Toronto, Ontario, October 17th, 2018 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTCQB: GNPWF), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that it has closed the first and final tranche of its previously announced non-brokered private placement raise. In total One Hundred and Fifty-Four Thousand, Two Hundred and Forty-One Dollars (“\$154,241.00”) CDN was raised in this tranche via the sale of Three Million, Eighty-Four Thousand, Eight Hundred and Twenty-Eight (“3,084,828”) Units at a price of Five Cents (“\$0.05”) CDN per Unit. Each unit is comprised of one common share of the Corporation, and one common share purchase warrant. This placement was previously announced, via press release, back on August 24th, 2018.

Each whole warrant entitles the holder to acquire one common share of the Corporation for Seven and a Half Cents (“\$0.075”) CDN for a period of 24 months from the closing date. All common shares issued in connection with this placement will be subject to a four month plus one day hold period under applicable Canadian securities laws.

In connection with the closing of this private placement offering, Gunpowder Capital Corp., paid a finder's fee totaling Twelve Thousand, Three Hundred and Thirty-Nine Dollars (“\$12,339.00”) CDN in connection with certain subscriptions for the Corporation's Units.

The Corporation also announced today that it has conducted, and that it has closed, a non-brokered private placement raise where Fifty-Seven Thousand, Five Hundred Dollars (“\$57,700.00”) CDN was raised by issuing Five Thousand Seven Hundred and Fifty (“5,750”) 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 this “Class - A” Preferred Shares private placement offering, Gunpowder Capital Corp., paid a finder's fee totaling Four Thousand, Six Hundred Dollars (“\$4,600.00”) CDN in connection with certain subscriptions for the Corporation's this “Class - A” Preferred Shares.

The Corporation has entered into a debt settlement agreement where the Corporation will issue Five Hundred Thousand (“500,000”) common shares at a deemed price of Five Cents (“\$0.05”) CDN per common share, to settle Twenty-Five Thousand Dollars (“\$25,000.00”) CDN of debt due to one creditor. All shares issued in the debt settlement agreement will be subject to a four month plus one day hold period under applicable Canadian securities laws. All proceeds from the two financings will be used for general working capital purposes. As of the date of issuance of this press release, the Corporation now has 35,095,084 common shares outstanding and 473,020 Class – A Preferred shares outstanding.

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

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.