



News Release

Gunpowder Capital Corp., Signs an LOI to Commence a Joint Venture Commercial Hemp Production Farm With Grange Conservation LLC.

FOR IMMEDIATE RELEASE

March 22nd, 2019

Toronto, Ontario, March 22nd, 2019 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTCQB: GNPWF), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) is pleased to announce that on March the 22nd, 2019 the Corporation had signed and that it had entered into a Letter of Intent (“LOI”) with Grange Conservation LLC., (“GCL”) of Wyoming.

The LOI proposes that should the Corporation and GCL both agree to enter into a definitive agreement, the two parties will commence a joint venture Industrial Hemp grow operation (the “operation”) which will be based in the State of North Carolina. The operation will be owned by a yet to be formed, and yet to be named, subsidiary (“Newco”) where upon formation of Newco, both the Corporation and GCL will each own an equal 50% ownership stake in Newco. This transaction, if completed would be deemed as an arm’s length transaction as both the Corporation and GCL act independently and do not have any relationship to each other.

The terms of the LOI state that in order for the two parties to enter into a definitive agreement, the Corporation shall undertake an equity raise where a minimum of Five Million Dollars (“\$5,000,000”) USD shall be raised. Once the \$5,000,000 USD is raised, and upon completion of due diligence, the two parties will enter into a definitive agreement. The Corporation will issue to GCL 5,000,000 Common Shares as a finder’s fee, and an additional 15,000,000 Common Shares upon the completion of the of the due diligence and upon completion of the \$5,000,000 equity raise.

Upon entering the definitive agreement, GCL will immediately contribute 45 acres of farm land that is fully licensed to grow industrial Hemp, and which is located in North Carolina to Newco. The Corporation will fund Newco with the proceeds raised, and GCL shall both manage, and have oversight of the growing operations. GCL will not receive any additional consideration other than their equity interest for managing and overseeing the growth operations. The Corporation shall have the right, but not the obligation to acquire the share of Newco owned by GCL for three years from the date of formation of Newco. Should the Corporation elect to acquire GCL’s stake in Newco, it may do so by issuing 120,000,000 Common Shares and 65,000,000 Warrants to GCL entitling GCL the ability to purchase an additional 65,000,000 Common Shares of the Corporation at a price of \$0.075 CDN per Common Share for 36 months after the date of the issuance.

Should both GCL and the Corporation successfully enter into a definitive agreement, the Corporation will remain as a Merchant Bank, and the Corporation has no intention of changing its current Merchant Banking business model, and will still pursue other business opportunities and investments both inside, and outside of the Industrial Hemp space.

The Corporation is in the process of engaging an investment banking firm to assist with the required capital raise and expects to make an announcement in that regard shortly. There is no guarantee that the Corporation will be able to raise the required funds and move forward with the LOI.

Mr. Paul Haber stated: “We are very pleased to have this joint venture opportunity brought to us and see huge potential in this deal if we enter into a definitive agreement. The 2018 Farm Bill changed federal policy regarding industry hemp, including the removal of hemp from the Controlled Substances Act and the consideration of hemp as an agricultural product. Because of this, we feel that there will be huge demand in the United States for Hemp based products and we are thrilled to have the opportunity to be entering into this industry space at a time where demand is expected to rapidly grow.”

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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