



## 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

May 13<sup>th</sup>, 2019

### Item 3 – News Release

A news release for Gunpowder Capital Corp., dated May 13<sup>th</sup>, 2019, 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 had closed the second tranche of its non-brokered private placement raise. Hundred and Fifty-Seven Thousand Dollars ("257,000.00") CDN was raised in the second tranche, via the sale of Five Million, One and Forty Thousand ("5,140,000") Units.

The issuance of the 5,140,000 Common Shares contained in the Units as described above is a material event as defined by NP 51-201 as the aforementioned issuance will increase the total number of the Corporation's issued common shares from 92,911,750 (As At May 12<sup>th</sup>, 2019) to 98,051,750 (As At May 13<sup>th</sup>, 2019).

### 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

May 13<sup>th</sup>, 2019

## **Schedule "A"**



## News Release

***THIS NEWS RELEASE IS NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES.***

**Gunpowder Capital Corp., Closes \$257,000.00 CDN Second Tranche of its Non-Brokered Private Placement of Units, Increases Size of Offering to \$5,000,000.00 CDN.**

**FOR IMMEDIATE RELEASE**

**May 13<sup>th</sup>, 2019**

**Toronto, Ontario, May 13<sup>th</sup>, 2019** – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTCQB: GNPWF), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that it had closed the second tranche of this non-brokered private placement raise. In total, Two Hundred and Fifty-Seven Thousand Dollars (“\$257,000.00”) CDN was raised in the second tranche, via the sale of Five Million, One and Forty Thousand (“5,140,000”) Units. Each Unit consists of one Common Share (a “Share”) in the capital of the Corporation and one Common Share Purchase Warrant (“Warrant”), with each Warrant entitling the holder thereof to purchase one Common Share of the Corporation at an exercise price of Seven and a Half Cents (“\$0.075”) CDN per Common Share for a period of 24 months from the closing of the financing, subject to accelerated expiry in the event the closing price of the Corporation’s Common Shares close at or greater than Ten Cents (“\$0.10”) CDN for ten consecutive trading days. 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. All proceeds from the financing will be used for acquisitions and general working capital purposes. In connection with the closing of this tranche of the private placement offering, the Corporation paid finder’s fee totaling Seven Thousand, Seven Hundred and Ten Dollars (“\$7,710.00”) CDN in connection with certain subscriptions for the Corporation’s Units. With the closing of the second tranche, the Corporation has raised Seven Hundred and Two Thousand Dollars (“\$702,000.00”) CDN from this placement.

The Corporation also announced that it has elected to increase the size of the current offering from One Million Five Hundred Thousand Dollars (“\$1,500,000.00”) CDN to Five Million Dollars (“\$5,000,000.00”) CDN. For further information on the offering and its terms, please refer to the Corporation’s press release dated March 4<sup>th</sup>, 2019.

The Corporation announced that it plans to reinstate the dividend for its Class – A, and for its Class – B Preferred Shares in Q4 of 2019. The Corporation will retroactively pay the Q1, Q2 & Q3 2019 amounts owed to all Preferred Share shareholders. The Corporation is using the capital from the dividend to further advance and develop its involvement in the Hemp sector.

Upon the completion of the issuance of the 5,140,000 Common Shares contained in the Units issued in this second tranche, the Corporation will have 98,051,750 Common Shares issued and 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](http://www.gunpowdercapitalcorp.com)

### **For further information please contact:**

Mr. Frank Kordy  
CEO & Director  
Gunpowder Capital Corp.  
T: (647) 466-4037  
E: [frank.kordy@gunpowdercapitalcorp.com](mailto:frank.kordy@gunpowdercapitalcorp.com)

Mr. Paul Haber  
CFO  
Gunpowder Capital Corp.  
T: (416) 363-3833  
E: [paul.haber@gunpowdercapitalcorp.com](mailto:paul.haber@gunpowdercapitalcorp.com)

### **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.