



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

Aug 29th, 2019

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated Aug 29th, 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

The Corporation disclosed in its Aug 29th, 2019 press release that it had issued 42,698,000 Units and 14,000,000 Common Shares. The aforementioned issuances will increase the total number of the Corporation's issued and outstanding common shares. Any change in a Corporation's share structure is deemed as a material event as defined 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

Aug 29th, 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 Third Tranche of its Non-Brokered Private Placement of Units, Enters Into Loan Agreement, Settles Debt.

FOR IMMEDIATE RELEASE

August 29th, 2019

Toronto, Ontario, August 29th, 2019 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTCQB: GNPWF), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that it has closed the third tranche of its non-brokered private placement raise. In total Two Million, One Hundred and Thirty-Four Thousand Nine Hundred Dollars (“\$2,134,900.00”) CDN was raised via the issuance of Forty-Two Million, Six Hundred and Ninety-Eight Thousand (“42,698,000”) Units.

Holders of both the Corporation’s Class – A and Class – B Preferred Shares were granted the ability to participate in this offering. The Corporation accepted ownership of One Hundred and Ninety Thousand, Four Hundred and Ninety (“190,490”) Preferred Shares as payment (the “Private Placement-in-Kind”) via the Preferred Share shareholders whom participated in this Private Placement-in-Kind offering. The Corporation is currently in the process of retiring the 190,490 Preferred Shares it received through the Private Placement-in-Kind. Each Preferred Share shareholder who participated in the Private Placement-in-Kind received Two Hundred (“200”) Units of the Corporation for every one (“1”) Preferred Share they used as payment to acquire the Units. Once the 190,490 Preferred Shares are retired, the Corporation will save approximately One Hundred and Fifty Thousand Dollars (“\$150,000.00”) CDN per annum, as the Corporation will no longer need to pay the quarterly dividend on the 190,490 Preferred Shares.

All Units in this offering consisted of one Common 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 general working capital purposes which includes the continued expansion of MethodeVerte Inc., the Corporation’s fully owned Cryptocurrency Mining and Technology development division. In connection with the closing of this tranche of the private placement offering, the Corporation paid a finder’s fee totaling Six Thousand, Nine Hundred Dollars (“\$6,900.00”) CDN in connection with certain subscriptions for the Corporation’s Units.

The Corporation also announced today that it had entered into two identical loan agreements where the Corporation received a combined One Fifty Thousand Dollars (“\$150,000.00”) CDN from two lenders. The Corporation has agreed to pay 12% per annum on the loan. The loan is due in August of 2023. The proceeds from this loan are being used to further expand the operations of MethodeVerte Inc. Furthermore, the Corporation has issued Fourteen Million (“14,000,000”) Common Shares at price of Five Cents (“\$0.05”) to settle debts outstanding. The Corporation announced that it has commenced the process of purchasing back a financial instrument totaling Five Hundred Thousand Dollars (“\$500,000.00”) CDN. The Corporation has agreed to make payments of approximately Twenty Thousand Dollars (“\$20,000.00”) CDN per month until the instrument has been paid back in full.

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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Gunpowder Capital Corp.

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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.