



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 11th, 2017

Item 3 – News Release

A news release for Gunpowder Capital Corp., dated October 11th, 2017, 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), ("Gunpowder" or the "Corporation") announced that its wholly owned subsidiary GP Realty Inc., had purchased, 633 Marentette Ave, a 16 unit lodging house located in Windsor, Ontario. Total purchase price of the property was Three Hundred Thousand Dollars ("300,000.00") CDN. The purchase price was financed through a Two Hundred and Ten Thousand Dollars ("210,000.00") CDN first mortgage financing on the property with a credit union. The mortgage has a term of 5 years and bears interest at a fixed rate of 4.55%. The remainder was financed through GPC's cash resources.

The completion of this transaction is defined and deemed as being a "property acquisition" as by NP 51-201. Furthermore, the property has been acquired via arranging mortgage financing and therefore the acquisition could be defined as "mortgaging of a company asset" as 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

October 11th, 2017

Schedule "A"



News Release

Gunpowder Capital Corp., Continues to Grow its Real Estate Subsidiary and Internalizes its Property Management Function

FOR IMMEDIATE RELEASE

Oct 11th, 2017

Toronto, Ontario, October 11th, 2017 – Gunpowder Capital Corp., (CSE: GPC), (CSE: GPC.PR.A), (OTCQB: GNPWF), (Frankfurt: YS6N), (“Gunpowder” or the “Corporation”) announced today that its wholly owned subsidiary GP Realty Inc., has purchased, 633 Marentette Ave, a 16 unit lodging house located in Windsor, Ontario.

Total purchase price of the property was Three Hundred Thousand Dollars (“\$300,000.00”) CDN. The purchase price was financed through a Two Hundred and Ten Thousand Dollars (“\$210,000.00”) CDN first mortgage financing on the property with a credit union. The mortgage has a term of 5 years and bears interest at a fixed rate of 4.55%. The remainder was financed through GPC’s cash resources.

This property is estimated to generate a 30% cash on cash return based on 75% occupancy.

Gunpowder is also pleased to announce that it has hired its own full time property manager and now internalized the property management function. We believe that by internalizing the property management function we will be able to reduce our operating costs significantly and achieve a better return on our investment.

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.