



**GNCC CAPITAL, INC.**  
**STOCKHOLDER UPDATE**

**OCTOBER 31, 2018**

Firstly, we offer our profuse apologies to our shareholders that our promised update after market on Monday October 29, 2018 was not filed; it was unacceptable. However circumstances beyond our control precluded us from issuing that promised update. The positive news is that thankfully yesterday and today, we received a very large number of E Mail from our shareholders giving us an even better sense of our shareholders thoughts, their advice and opinions; whether harsh or not, was beyond helpful to us.

We are going to deal with these primary issues as set out below and in the hope that our shareholders get a clear direction and that we now properly address their primary concerns.

We failed to recognize the importance of our meeting “hoped for” target dates and as a result it has damaged the credibility of ourselves and the Company. All we can do going forward is to ensure that this does not re-occur. Light trading volumes and a lack of knowledge of Internet postings created a false belief in our minds that the interest in the Company’s plans were not widely followed. We now are acutely aware that is not the case. Our engagement with and our communications to shareholders clearly have been unsatisfactory and this will change immediately. We are however now aware of the enormous level of frustration amongst our shareholders.

We are now also aware that ourselves and indeed, the Company, is being labelled as “short on delivery and making vague promises”, that we are simply “kicking the can down the road in respect of deal consummation”, that we are “dumping shares of Common Stock into the market”, that we are “running a scam”, that we are “planning a Reverse Split of our shares of Common Stock” and that we “consistently fail to meet deadlines”. This is distressing to us obviously but we have to deal with these accusations as conveyed to us by our shareholders.

Obviously certain of these accusations made us realize that far more information needs to be imparted to our shareholders. This we are doing today and without breaching Confidentiality but it is imperative that our shareholders know that we recognize the problems. We are not going to comment on unadulterated nonsense about “running a scam” or our supposedly planning a Reverse Split”. Insofar as our “dumping shares into the market”, your Directors have never directly or indirectly sold a single share of the Company’s stock nor pocketed a dime for our efforts. Your Directors hold long term and untouched unsecured shares of Preferred Stock. Furthermore we do not follow nor do we look at the daily activity in the trading of the Company’s shares of Common Stock, we review the weekly trading activity reports provided to ourselves. To hold us responsible for any market action is unfair and unfounded. Given the extremely light volumes in the trading of Company’s shares of Common Stock; this is definitely a moot point.

1. This Company is going to be closing a transaction and without further delays. Delays caused by our not yet filing the outstanding Quarterly and Annual Reports were unacceptable. As we stated recently, this impediment to our consummating a transaction, was removed. These outstanding Financial Reports are going to be completed, filed and the Company returned to that of a “Current Filer” on the “OTC Markets”. The current “STOP” annotation is not acceptable and is not helping the Company’s credibility. We are not committing to a timeline, we are reliant upon third parties and on too many occasions we made promises in this respect and ended up looking foolish.
2. Needless to say at a trading price of our shares of Common Stock at between \$0.0001 and \$0.0002 gives us a market capitalization of \$1.4 to \$2.8 million, this makes any transaction effected by ourselves, a material event.
3. In respect of the Joint Venture which in all likelihood will now proceed (we will address in more depth); this refers to the following of the Company’ Mining Exploration Properties; namely “Tonopah / East Belmont”, “Pearl Spring”, “White Hills”, “McCracken” and “Yarber Wash”. Our Joint Venture Partners own Mining Exploration Properties which will be added to a Joint Venture upon its consummation. They are publicly traded and we have zero authority to comment on their assets.
4. Your Directors consider it highly improper to comment upon their valuation of the Company’s Mining Exploration Properties. Our accounting treatment was always that the impairment charges were taken and immediately upon the acquisition of these properties. However addressing as to what we offered to the various holders of our shares of secured Preferred Stock remains confidential and they are not likely to accept the offer (we will address in more length). Shareholders have communicated valuations to ourselves that range from as low as \$0.0005 to as high as a few dollars per share of our Common Stock. We will comment as follows: No, we would not entertain a price of \$0.0005, that is patently ridiculous and conversely to value the Company at a few dollars per share of Common Stock is complete nonsense. In our private and unsubstantiated opinion, any valuation is north of the low suggested at \$0.0005 per share of Common Stock; any valuation is however solely in the opinion of your Directors. An accurate and updated value of the properties will be only be material to shareholders should the Company elect to dispose of the same and to then distribute the proceeds; and that would entail an “arm’s length” valuation being undertaken.

5. In respect of the actual amount of our shares of Common Stock in our “float”, we are very aware that due to certain actions by Regulators, certain Self Clearing and very Major Players in the “penny stock arena” are now (a) unable to clear nor accept deposits of shares under \$5 and (b) are no longer able to execute trades in stocks trading below \$0.01 per share. We are attempting to ascertain as to the quantum of our shares of Common Stock effectively locked up in these firms in order to gauge as to what is our actual “float”. Whether or not this is material; is unknown at this date. This information we intend to obtain from the DTC. We doubt that this information is permitted to be disseminated to shareholders nor put in the public arena.
6. Numerous shareholders have complained over the behavior on certain Internet Stock Chat Forums including deletion of “friendly” postings and a plethora of false and misleading information being posted on the above-mentioned. Obviously we have no power over this and our view is that people have the right to free speech and to post their own ideas and views. Shareholders consider their behavior to be sinister and that there are ulterior motives involved. In the absence of proof, your Directors cannot comment further. Yes, we are aware that it is annoying, frustrating and damaging to our Company and to shareholders. All we can do is to stress that shareholders reach out to us directly in order to ascertain fact from fiction.
7. The timing of any deal is now clearly a major concern to shareholders after numerous and extremely frustrating delays. We at this time, are weighing up our options as our duty is to secure the best deal for our shareholders. The holders of shares of our secured Preferred Stock are very clearly not in favor of the Company selling its Mining Exploration Properties and then doing a distribution to shareholders. The general consensus appears to be that we proceed with the planned Joint Venture and going forward to make acquisitions in other Industry Sectors to secure revenues, earnings and cash flow for the Company; that is considered to be the best creation of value for all parties and for our shareholders. We did impose a “drop dead” date to these shareholders as to their final decisions; upon that date, we will execute without delay. And no, that date is not tomorrow but is most certainly not a week or two or three, meaning no delays in our execution. We want to be very clear in that respect.
8. In respect of potential acquisitions, our Company has substantial carried forward losses making us an attractive home for any profitable businesses.
9. Shareholders no doubt realize that any transaction needs to be on an “arm’s length” basis and that we have had to expend considerable man hours of evaluating various proposals and the execution of the same. Yes, we have done all of the research, due diligence and carefully weighed up all proposals so which ever option/s are executed upon. Therefore we do not need to expend further nor enormous amounts of our time to execute upon them. Therefore, no it is not an open ended process here and no, we will not accept further delays in our execution.

We wish to take this opportunity to extend our sincere thanks to all of those shareholders who communicated with us and permitted us invaluable insights; whether harsh, critical or just stating plain facts; we are truly grateful. We thank them for a long overdue review of our own communications with shareholders. Yes, a number of issues raised by shareholders were not covered in this communication, as we responded directly to those shareholders, we omitted all individual specific issues as they we knew that they were not of interest to the general body of shareholders.

We do not feel that any further updates are necessary unless an unforeseen material event requires this of us or if a large amount of shareholders request that we need to say more than we have laid out here today. Going forward, we would prefer to issue public Press Releases to communicate transactions and any material information.

In summary, we now recognize the problems, our own short comings in shareholder communication and missed deadlines and intend to ensure these are now past problems and that moving forward we will be in a position to create value for shareholders and without further frustrating delays.

Please contact us directly at [investor@gncc-capital.com](mailto:investor@gncc-capital.com) should you require any additional information. We will only be able to respond outside of market hours. We reiterate that we truly welcome and appreciate this interaction with our shareholders and all correspondence will receive a direct response and on a daily basis.

**DATED: OCTOBER 31, 2018**

**RONALD YADIN LOWENTHAL**  
**GNCC CAPITAL, INC.**  
**EXECUTIVE CHAIRMAN**

**NICOLAAS EDWARD BLOM**  
**GNCC CAPITAL, INC.**  
**PRESIDENT & CHIEF OPERATING OFFICER**