



# **GNCC CAPITAL, INC.**

## **MANAGEMENT DISCUSSION AND ANALYSIS FILING UPDATED COMMENTARY OF CONVERTIBLE LOAN NOTES AND TRADING**

**MARCH 22, 2014**

## UPDATED COMMENTARY ON HISTORICAL LOAN NOTE CONVERSIONS INTO SHARES OF OUR COMMON STOCK AND MARKET TRADING ACTIVITY

### **IMPORTANT NOTES:**

**No additional shares of Common Stock were deposited into the DTCC since the date of our last report; and indeed for not over a month to date.**

**Our “free float” remains unchanged.**

**These computations reflect a further reduction in the sale of shares of Common Stock and down to 26% of the total volume of shares traded.**

### **RATIONALE:-**

Management is publishing this analysis in response to innumerable enquiries as to potential sales into the market, of our Common Stock by the Convertible Loan Note Holders. We remain committed to complete transparency and are publishing this analysis in that spirit.

This analysis is prepared and published simply to ascertain the effect on our stock trading due to partial conversions of long term Convertible Loan Notes into shares of our Common Stock. Given that these partial Convertible Loan Note conversions only account for 26% of trading to date (March 21, 2014); and on a worst case scenario, **Management is satisfied that these Convertible Loan Note conversions into shares of Common Stock do not have a material impact upon either the (a) Price per share of Common Stock; nor (b) a material impact upon the trading volumes of our shares of Common Stock.**

### **BACKGROUND:**

As published in a previous Filing, the Company issued a total amount of 2,300,000,000 shares of Common Stock on November 8, 2013 in partial settlement of Convertible Loan Notes issued by the Company on May 3, 2010. (“The Note Holders”)

As published in a previous Filing, the Company issued a total amount of 3,000,000,000 shares of Common Stock on December 13, 2013 in partial settlement of Convertible Loan Notes issued by the Company on May 3, 2010. (“The Note Holders”)

As published in a previous Filing, the Company issued a total amount of 3,750,000,000 shares of Common Stock on March 4, 2014 in partial settlement of Convertible Loan Notes issued by the Company on May 3, 2010. (“The Note Holders”)

## **KEY STATISTICS:-**

Since the issuance on November 8, 2013 to the Note Holders until March 21, 2014, a total number of 19,340,742,279 shares of our Common Stock were traded. These numbers exclude large blocks of Common Stock executed after market close on certain days. See table below.

The commencement date for this analysis was on November 8, 2013, being the date of the issuance of shares of our Common Stock to the Note Holders, ON THAT DATE, the number of our shares of Common Stock that were on deposit at the DTC and therefore freely tradable, were in the amount of 488,101,749.

As reflected on our Company's OTC Market profile, the number of our shares of Common Stock that are on deposit at the DTC and therefore freely tradable, as at today, March 22, 2014, are in the amount of 5,600,101,749. That meant an increase in the DTC deposits of 2,550,000,000 shares of Common Stock since our last report on January 25, 2014 and to date until March 21, 2014. This information was verified with our Transfer Agent on March 21, 2014.

Therefore it is clear that a total amount of 5,112,000,000 shares of our Common Stock were deposited at the DTC from November 8, 2013 to March 21, 2014.

Based upon number of shares traded in this period in the amount of 19,340,742,279 and working on the assumption that the additional amount of 5,112,000,000 shares of Common Stock deposited were all disposed of by the Note Holders; **this would be an assumption that the Note Holders accounted for 26% of the trading volume in this period.**

The total amount of shares traded in this aforesaid period amount to 19,340,742,279 and the total dollar volume traded was \$8,044,080. This amounted to average trading price per share of \$0.00042.

The conversion price of shares of our Common Stock issued to these historical Convertible Loan Note Holders on November 8, 2013 and as amended in a filing dated January 6, 2014; was at a price of \$0.00035 per share of our Common Stock.

The conversion price of shares of our Common Stock issued to these historical Convertible Loan Note Holders on December 13, 2013 and as amended in a filing effecting the date to January 13, 2014; and finalized on February 23, 2014; was at a price of \$0.00027 per share of our Common Stock.

Any additions to our "free float" will be updated on the OTC Markets and we will continue to publish this information as is contained in this Management Discussion and Analysis.

Stockholders are advised to draw their own conclusions and make their trading decisions accordingly based upon the statistics published in this Discussion Paper.

**THE AMOUNT OF SHARES ON THE COMPANY'S SHARES OF COMMON STOCK ON DEPOSIT AT THE DTCC REMAINS UNCHANGED AS FROM THE DATE OUR PREVIOUS REPORT WHICH WAS DATED MARCH 14, 2014.**

**TRADING STATISTICS:**

<b>Date</b>	<b>Volume</b>	<b>Dollars</b>
11/11/2013	88,251,298	26,756
11/12/2013	8,293,500	3,059
11/13/2013	74,156,100	20,925
11/14/2013	209,227,616	77,075
11/15/2013	257,463,399	258,173
11/18/2013	225,610,460	433,060
11/19/2013	487,715,545	608,244
11/20/2013	245,887,642	210,761
11/21/2013	89,575,555	70,624
11/22/2013	65,333,929	60,913
11/25/2013	140,162,237	131,550
11/26/2013	299,092,248	193,365
11/27/2013	41,096,974	27,618
11/29/2013	100,513,859	30,103
12/02/2013	106,139,794	89,746
12/03/2013	196,084,950	141,685
12/04/2013	412,027,912	245,731
12/05/2013	406,925,248	190,029
12/06/2013	173,226,401	76,136
12/09/2013	80,590,929	33,371
12/10/2013	109,758,987	38,796
12/11/2013	213,285,492	64,358
12/12/2013	182,674,033	48,799
12/13/2013	230,940,352	70,916
12/16/2013	690,472,452	131,823
12/17/2013	182,378,672	37,279
12/18/2013	75,452,246	15,338
12/19/2013	257,420,542	51,639
12/20/2013	109,667,882	21,928
12/23/2013	50,009,105	10,304
12/24/2013	19,280,644	3,924
12/26/2013	99,305,784	20,198
12/27/2013	122,165,866	26,338
12/30/2013	87,222,217	23,354
12/31/2013	161,893,576	48,752
01/02/2014	103,171,090	31,427
01/03/2014	73,696,881	22,218
01/06/2014	36,596,909	10,756
01/07/2014	49,879,983	14,623
01/08/2014	74,912,241	22,046
01/09/2014	104,734,855	27,821
01/10/2014	169,627,031	63,454

**TRADING STATISTICS:**

<b><u>Date</u></b>	<b><u>Volume</u></b>	<b><u>Dollars</u></b>
01/13/2014	345,206,258	162,497
01/14/2014	85,578,434	33,119
01/15/2014	97,564,863	46,829
01/16/2014	70,902,798	26,626
01/17/2014	40,867,666	14,191
01/21/2014	44,230,170	17,347
01/22/2014	43,896,661	16,920
01/23/2014	527,566,661	126,584
01/24/2014	229,637,092	47,981
<b>SUB TOTAL</b>	<b><u>8,397,373,039</u></b>	<b><u>4,227,109</u></b>

Period: November 11, 2013 to January 24, 2014

**TRADING STATISTICS:**

<b><u>Date</u></b>	<b><u>Volume</u></b>	<b><u>Dollars</u></b>
01/27/2014	102,830,464	22,568
01/28/2014	59,224,340	12,031
01/29/2014	160,000,573	31,691
01/30/2014	49,685,660	9,947
01/31/2014	45,328,977	9,572
02/03/2014	597,562,354	49,628
02/04/2014	275,921,811	47,134
02/05/2014	228,413,962	39,973
02/06/2014	84,606,061	13,997
02/07/2014	480,509,606	121,996
02/10/2014	347,341,027	79,711
02/11/2014	554,060,632	110,770
02/12/2014	309,597,058	64,908
02/13/2014	131,986,039	29,802
02/14/2014	120,788,456	24,885
02/18/2014	102,348,100	27,733
02/19/2014	75,204,133	19,812
02/20/2014	739,541,158	255,590
02/21/2014	672,604,820	328,262
02/24/2014	417,617,231	243,453
02/25/2014	262,421,178	104,599
02/26/2014	143,860,334	57,719
02/27/2014	267,654,720	101,758
02/28/2014	428,998,965	186,025
03/03/2014	261,293,606	100,685
04/03/2014	450,095,770	268,740
03/05/2014	323,257,789	238,864
03/06/2014	192,146,985	113,194
03/07/2014	788,184,981	359,667
03/10/2014	276,055,981	112,059
03/11/2014	64,879,685	26,380
03/12/2014	147,155,811	59,108
03/13/2014	99,093,819	39,127
03/14/2014	93,043,154	37,434
03/17/2014	159,726,267	64,253
03/18/2014	100,012,648	40,007
03/19/2014	93,680,935	39,095
03/20/2014	1,060,000,000	272,981
03/21/2014	170,228,304	51,859
<b>SUB TOTAL</b>	<b><u>10,943,369,240</u></b>	<b><u>3,816,971</u></b>

Period: January 27, 2014 to March 21, 2014

**TRADING STATISTICS:**

<b><u>Date</u></b>	<b><u>Volume</u></b>	<b><u>Dollars</u></b>
<b>TOTAL FOR ENTIRE PERIOD</b>	<b><u>19,340,742,279</u></b>	<b><u>8,044,080</u></b>

Period: November 11, 2013 to March 21, 2014

**DATED: MARCH 22, 2014**

**NICOLAAS EDWARD “TED” BLOM  
GNCC CAPITAL, INC.  
PRESIDENT & CHIEF EXECUTIVE OFFICER**