GNCC CAPITAL, INC.

ANNUAL FINANCIAL STATEMENTS

(UNAUDITED)

For the Year Ended September 30, 2011

Table of Contents

GNCC CAPITAL, INC.
(An Exploration Stage Company)

BALANCE SHEET

	Year Ended, September 30, 2011	Year Ended, September 30, 2010
	$	$
ASSETS		
CURRENT ASSETS		
Total Current Assets	-----	-----
OTHER ASSETS		
Deferred compensation	39,583	39,583
Total Other Assets	39,583	39,583
TOTAL ASSETS	39,583	39,583
LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable	90,299	42,729
Loan Payable	47,460	47,460
Convertible Loan Notes Payable	16,784,000	14,984,000
Accrued Interest Payable	1,029,876	202,451
Total Current Liabilities	17,951,635	15,276,640
TOTAL LIABILITIES	17,951,635	15,276,640
STOCKHOLDERS' EQUITY (DEFICIT)		
Common Stock ($0.00001 par value, 500,000,000 shares authorized; 203,133,470 and 177,133,470 shares issued and outstanding as of September 30, 2011 and September 30, 2010, respectively)	2,658	2,392
Additional Paid In Capital	3,893,606	3,586,709
Deficit accumulated during exploration stage	(21,703,597)	(18,721,319)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(17,807,333)	(15,132,218)
TOTAL LIABILITIES & STOCKHOLDER EQUITY	39,583	39,583

The Accompanying Notes are an Integral Part of These Financial Statements

GNCC CAPITAL, INC.
(An Exploration Stage Company)

STATEMENT OF OPERATIONS

	Year Ended, September 30, 2011	Year Ended, September 30, 2010
	$	$
REVENUES		
Revenues	-------	-------
TOTAL REVENUES	-------	--------
OPERATING EXPENSES		
Mineral Exploration Expense	20,660	18,379
Office and Administration	26,910	23,400
Director's Salaries	27,183	10,417
Director's Signing Bonus	100	190,000
Professional Fees	-----	-----
Interest	827,425	202,451
Impairment of Assets	2,080,000	18,224,000
TOTAL OPERATING EXPENSES	(2,982,278)	(18,668,647)
NET INCOME (LOSS)	(2,982,278)	(18,668,647)
BASIC EARNINGS (LOSS) PER SHARE (CENTS)	(1.47)	(10.54)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	203,133,470	177,133,470

The Accompanying Notes are an Integral Part of These Financial Statements

GNCC CAPITAL, INC.
(An Exploration Stage Company)

STATEMENT OF CASH FLOWS

	Year Ended, September 30, 2011	Year Ended, September 30, 2010
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (Loss)	(2,982,278)	(18,668,647)
Adjustments to reconcile net loss to net cash		
Provided by (used in) operating activities:		
Mineral Exploration Expense	20,660	18,379
Office and Administration	26,910	23,400
Director's Salaries	27,183	10,417
Director's Signing Bonus	100	190,000
Professional Fees	------	-----
Interest	827,425	202,451
Changes in operating assets and liabilities:		
Impairment of Assets	2,080,000	18,224,000
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	0	0
NET INCREASE (DECREASE) IN CASH	0	0
CASH AT BEGINNING OF PERIOD	0	0
CASH AT END OF PERIOD	0	0

SCHEDULE OF NON CASH INVESTING AND FINANCING ACTIVITIES

In fiscal year 2010, the Company issued 9,500,000 shares of Common Stock to a Director in relation to the $190,000 Signing Bonus and an amount of 2,500,000 shares of Common Stock, of which 520,833 shares of Common Stock relates to the fiscal 2100 year, in compensation for the Director as a Salary in an amount of $10,417. The Company acquired interests in Mining Exploration Properties through the issuance of 162,000,000 shares of Common Stock valued at $3,240,000 as well as a total of $14,984,000 in Convertible Loan Notes.

In fiscal 2011, the Company issued 10,000,000 shares of Common Stock to a Director in relation to the $100 Signing Bonus and an amount of 2,000,000 shares of Common Stock, of which 83,333 and 25,000 shares of Common Stock relates to the fiscal 2011 year, in compensation for the Directors' as a Salary in the total amount of $27,183. The Company acquired interests in Mining Exploration Properties through the issuance of 14,000,000 shares of Common Stock valued at $280,000 as well as a total of $1,800,000 in Convertible Loan Notes.

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during period for:		
Interest	-----	-----
Income Taxes	-----	-----
	-----	-----

The Accompanying Notes are an Integral Part of These Financial Statements

GNCC CAPITAL, INC.
(An Exploration Stage Company)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	CAPITAL STOCK					
	NUMBER OF SHARES	PAR VALUE $	AMOUNT $	PAID IN CAPITAL $	RETAINED EARNINGS $	TOTAL $
BEGINNING BALANCE:- OCTOBER 1, 2010	177,133,470	0.00001	2,392	3,586,709	(18,721,319)	(15,132,218)
CHANGES IN EQUITY: FOR THE YEAR ENDED SEPTEMBER 30, 2011						
Additional Shares Issued						
- Acquisition of additional Silver Properties on December 2, 2010	14,000,000	0.00001	140	279,860		280,000
Stock issued for Management Signing Bonus On September 9, 2010 @ par value per share	10,000,000	0.00001	100			100
Stock issued for Management Salary Year end of September 30, 2010 (N E Blom)	1,916,667	0.00001	-----	------		
Partial recognition of stock issued to Management For Salary @ 0.02 per share (2,500,000 Issued for 24 months' salary) (R Y Lowenthal)		0.0001	25	24,955		25,000
For Salary @ 0.02 per share (2,000,000 Issued for 24 months' salary) (N E Blom)	83,333	0.0001	1	2,082		2,083
Net Income (Loss)					(2,982,278)	(2,982,178)
ENDING BALANCE	177,133,470		2,658	3,893,606	(21,703,597)	(17,807,333)

The Accompanying Notes are an Integral Part of These Financial Statements

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

GNCC CAPITAL, INC. (f/k/a Global National Communications Corp. the "Company") was incorporated under the laws of the State of Delaware on September 28, 2008. The Company was formed to engage in the acquisition, exploration and development of natural resource properties.

The Company is in the exploration stage. Its activities to date have been limited to capital formation, organization and development of its business plan.

NOTE 2. FORWARD LOOKING STATEMENTS

These unaudited annual financial statements contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “believes” or “does not believe”, "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements.

NOTE 3. RISK FACTORS

We are subject to various risks, which may materially harm our business, financial condition and results of operations. You should carefully consider the risks and uncertainties described below and the other information in this filing before deciding to purchase our common stock. If any of these risks or uncertainties actually occurs, our business, financial condition or operating results could be materially harmed. In that case, the trading price of our common stock could decline and you could lose all or part of your investment.

We are a relatively young company with no operating history

Since we are a young company, it is difficult to evaluate our business and prospects. At this stage of our business operations, even with our good faith efforts, potential investors have a high probability of losing their investment. Our future operating results will depend on many factors, including the ability to generate sustained and increased demand and acceptance of our products, the level of our competition, and our ability to attract and maintain key management and employees. While management believes their estimates of projected occurrences and events are within the timetable of their business plan, there can be no guarantees or assurances that the results anticipated will occur.

We expect to incur net losses in future quarters.

If we do not achieve profitability, our business may not grow or operate. We may not achieve sufficient revenues or profitability in any future period. We will need to generate revenues from the sales of our products or take steps to reduce operating costs to achieve and maintain profitability. Even if we are able to generate revenues, we may experience price competition that will lower our gross margins and our profitability. If we do achieve profitability, we cannot be certain that we can sustain or increase profitability on a quarterly or annual basis.

NOTES TO THE FINANCIAL STATEMENTS

We may require additional funds to operate in accordance with our business plan.

We may not be able to obtain additional funds that we may require. We do not presently have adequate cash from operations or financing activities to meet our long-term needs. If unanticipated expenses, problems, and unforeseen business difficulties occur, which result in material delays, we will not be able to operate within our budget.

If we do not achieve our internally projected sales revenues and earnings, we will not be able to operate within our budget. If we do not operate within our budget, we will require additional funds to continue our business. If we are unsuccessful in obtaining those funds, we cannot assure you of our ability to generate positive returns to the Company.

Further, we may not be able to obtain the additional funds that we require on terms acceptable to us, if at all. We do not currently have any established third-party bank credit arrangements. If the additional funds that we may require are not available to us, we may be required to curtail significantly or to eliminate some or all of our development, manufacturing, or sales and marketing programs.

We are highly dependent on several individuals to carry out our business plan.

We are largely dependent on several individuals, for specific proprietary technical knowledge and the Company's market knowledge. Our ability to successfully carry out our business plan may be at risk from an unanticipated termination, accident, injury, illness, incapacitation, or death of either of these individuals. Upon such occurrence, unforeseen expenses, delays, losses and/or difficulties may be encountered. Our success may also depend on our ability to attract and retain other qualified management and sales and marketing personnel.

We compete for such persons with other companies and other organizations, some of which have substantially greater capital resources than we do. We cannot give you any assurance that we will be successful in recruiting or retaining personnel of the requisite caliber or in adequate numbers to enable us to conduct our business.

There is currently a limited market for our common stock. Therefore, investor's holdings in our common stock may be illiquid.

Our shares of common stock are traded on the OTC Markets.

NOTES TO THE FINANCIAL STATEMENTS

Our directors and executive officers beneficially own a substantial amount of our common stock.

Accordingly, these persons will be able to exert significant influence over the direction of our affairs and business, including any determination with respect to our acquisition or disposition of assets, future issuances of common stock or other securities, and the election or removal of directors. Such a concentration of ownership may also have the effect of delaying, deferring, or preventing a change in control of the Company or cause the market price of our stock to decline. Notwithstanding the exercise of their fiduciary duties by the directors and executive officers and any duties that such other stockholder may have to us or our other stockholders in general, these persons may have interests different than yours.

We do not expect to pay dividends for the foreseeable future.

For the foreseeable future, it is anticipated that earnings, if any, that may be generated from our operations will be used to finance our operations and that cash dividends will not be paid to holders of our common stock.

We expect to be subject to SEC regulations and changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, new SEC regulations and other trading market rules, are creating uncertainty for public companies.

We are committed to maintaining high standards of corporate governance and public disclosure. As a result, we intend to invest appropriate resources to comply with evolving standards, and this investment may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

There is Substantial Doubt About Our Ability to Continue as a Going Concern, which Means that We May Not Be Able to Continue Operations Unless We Obtain Additional Funding

The report in these financial statements included an explanatory paragraph indicating that there is substantial doubt about our ability to continue as a going concern due to recurring losses and working capital shortages. Our ability to continue as a going concern will be determined by our ability to obtain additional funding. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our Common Stock May Be Affected By Limited Trading Volume and May Fluctuate Significantly

There has been no market for our common stock and there can be no assurance that an active trading market for our common stock will develop. As a result, this could adversely affect our shareholders' ability to sell our common stock in short time periods, or possibly at all. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations, which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. Substantial fluctuations in our stock price could significantly reduce the price of our stock.

Our Officers and Directors Have the Ability to Exercise Significant Influence Over Matters Submitted for Stockholder Approval and Their Interests May Differ From Other Stockholders

Our executive officers and directors have significant influence in determining the outcome of any corporate transaction or other matter submitted to our stockholders for approval, including mergers, acquisitions, consolidations and the sale of all or substantially all of our assets, and also the power to prevent or cause a change in control. The interests of these executive officers and directors may differ from the interests of the other stockholders.

NOTE 4. LEGAL PROCEEDINGS

We are not a party to any material pending legal proceedings and, to the best of our knowledge, no such action by or against the Company has been threatened.

NOTE 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock trades publicly on the over the counter market under the symbol "GNCP." The over the counter bulletin board is a regulated quotation service that displays real-time quotes, last-sale prices and volume information in over-the-counter equity securities. The over the counter securities are traded by a community of market makers that enter quotes and trade reports. This market is extremely limited and any prices quoted may not be a reliable indication of the value of our common stock.

Holders

As of December 12, 2011 there were 203,133,470 shares of common stock outstanding held by approximately 66 holders of record.

Dividend Policy

Our board of directors has not declared a dividend on our common stock during the last two fiscal years or the subsequent interim period and we do not anticipate the payments of dividends in the near future as we intend to reinvest our profits to grow our business.

Penny Stock Status

The Company's common stock is a "penny stock," as the term is defined by Rule 3a51-1 of the Securities Exchange Act of 1934. This makes it subject to reporting, disclosure and other rules imposed on broker-dealers by the Securities and Exchange Commission requiring brokers and dealers to do the following in connection with transactions in penny stocks:

Section 15(g) of the Securities Exchange Act of 1934

Our company's shares are covered by Section 15(g) of the Securities Exchange Act of 1934, as amended that imposes additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors (generally institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouses). For transactions covered by the Rule, the broker/dealer must make a special suitability determination for the purchase and have received the purchaser's written agreement to the transaction prior to the sale. Consequently, the Rule may affect the ability of broker/dealers to sell our securities and also may affect your ability to sell your shares in the secondary market. Section 15(g) also imposes additional sales practice requirements on broker/dealers who sell penny securities.

These rules require a one page summary of certain essential items. The items include the risk of investing in penny stocks in both public offerings and secondary marketing; terms important to in understanding of the function of the penny stock market, such as "bid" and "offer" quotes, a dealers A spread @ and broker/dealer compensation; the broker/dealer compensation, the broker/dealers duties to its customers, including the disclosures required by any other penny stock disclosure rules; the customers rights and remedies in causes of fraud in penny stock transactions; and, the NASD's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

Securities authorized for issuance under equity compensation plans

We have no equity compensation plans and accordingly we have no shares authorized for issuance under an equity compensation plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a September 30, year-end.

B. BASIC EARNINGS PER SHARE

ASC No. 260, "Earnings Per Share", specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. The Company has adopted the provisions of ASC No. 260. Basic net loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share because there are no dilutive items in the Company.

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in banks, money market funds, and certificates of term deposits with maturities of less than three months from inception, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of loss in value. The Company had $0 (2010) and $0 (2011) in cash and cash equivalents at September 30, 2010 and September 30, 2011 respectively. The Company will maintain its cash in institutions insured by the Federal Deposit Insurance Corporation (FDIC).

D. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In accordance with ASC No. 250 all adjustments are normal and recurring.

E. INCOME TAXES

Income taxes are provided in accordance with ASC No. 740, Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

F. ADVERTISING COSTS

The Company's policy regarding advertising is to expense advertising when incurred. The Company had not incurred any advertising expense for the fiscal years ended September 30, 2011 and 2010.

G. REVENUE AND COST RECOGNITION

The Company has no current source of revenue; therefore the Company has not yet adopted any policy regarding the recognition of revenue or cost.

H. NEW ACCOUNTING PRONOUNCEMENTS

The Company has evaluated all the recent accounting pronouncements through the date the financial statements were issued and filed with the OTC Markets and believe that none of them will have a material effect on the company's financial statements.

Recent Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Fair Value Measurements and Disclosures (Topic 820).* This Update provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures - Overall, that requires new disclosures and clarify existing disclosures. The amendments in this Update are effective for interim and annual periods beginning after December 15, 2010. The adoption of this ASU is not anticipated to have a material impact on the Company's financial position or results of operation

In October 2009, FASB issued ASU 2009-13 *Revenue Recognition (Topic 605)*. ASU 2009-05 provides accounting and financial reporting disclosure amendments for multiple-deliverable revenue arrangements. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The adoption of this ASU is not anticipated to have a material impact on the Company's financial position or results of operations.

In September 2009, the FASB issued ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* ASU 2009-12 provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures – Overall, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The adoption of this ASU in not anticipated to have a material impact on the Company's financial position or results of operation.

In August 2009, FASB issued ASU 2009-05 *Fair Value Measurements and Disclosure (Topic 820).* ASU 2009-05 provides amendments for the fair value measurement of liabilities and clarification on fair value measuring techniques. ASU 2009-05 is effective for the first reporting period, including interim periods, beginning after the issuance. The adoption of this ASU did not have a material impact on the Company's financial position or results of operations.

NOTES TO THE FINANCIAL STATEMENTS

In June 2009, FASB issued ASU 2009-01 *Topic 105 — Generally Accepted Accounting Principles*. ASU 2009-01 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with GAAP. ASU 2009-01 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of this ASU did not have a material impact on the Company's financial position or results of operations.

In June 2009, the FASB issued SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)* ("SFAS No. 167"), which amends the consolidation guidance applicable to variable interest entities. The amendments will significantly affect the overall consolidation analysis under FASB ASC 810, *Consolidation* and requires an enterprise to perform an analysis to determine whether the enterprise's variable interest or interests give it a controlling financial interest in a variable interest entity. SFAS No. 167 has not yet been codified and in accordance with ASC 105, remains authoritative guidance until such time that it is integrated in the FASB ASC. SFAS No. 167 is effective as of the beginning of the first fiscal year that begins after November 15, 2009, early adoption is prohibited. The adoption of this Update will have no material effect on the Company's financial condition or results of operations.

In June, 2009, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No 166, *Accounting for Transfers of Financial Assets—an amendment of FASB Statement No. 140*" ("SFAS 166"). This Statement removes the concept of a qualifying special-purpose entity from Statement 140 and removes the exception from applying FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities,* to qualifying special-purpose entities. SFAS No. 166 has not yet been codified and in accordance with ASC 105, remains authoritative guidance until such time that it is integrated in the FASB ASC. SFAS No. 166 is effective for financial asset transfers occurring after the beginning of an entity's first fiscal year that begins after November 15, 2009 and early adoption is prohibited. The adoption of this statement will have no material effect on the Company's financial condition or results of operations.

In May, 2009, FASB issued ASC 855 *Subsequent Events* which establishes principles and requirements for subsequent events. In accordance with the provisions of ASC 855, the Company currently evaluates subsequent events through the date the financial statements are available to be issued.

I. DERIVATIVE INSTRUMENTS

ASC 815-24 (formerly SFAS No. 133), "Accounting for Derivative Instruments and Hedging Activities", requires all derivatives to be recorded as either assets or liabilities and measured at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. At September 30, 2010 and 2009, the Company has not engaged in any transactions that would be considered derivative instruments or hedging activities.

J. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments as defined by Statement of Financial Accounting Standards Board ("FASB") ASC 825-10-50, include cash, receivables, accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at September 30, 2010. FASB ASC 820, defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. FASB ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date. The Company has no Level 1 assets or liabilities; and

Level 2. Inputs from other than quoted prices in active markets that are observable either directly or indirectly. The Company has no Level 2 assets or liabilities; and

Level 3. Unobservable inputs in which there is little of no market data, which require the reporting entity to develop its own assumptions. The Company has no Level 3 liabilities.

The Company does not have any assets or liabilities measured at fair value on a recurring basis at September 30, 2011. The Company did not have any fair value adjustments for assets and liabilities measured at fair value on a nonrecurring basis during the period ended September 30, 3011.

K. MINERAL PROPERTIES

Under US GAAP mineral property acquisition costs are ordinarily capitalized when incurred using FASB ASC Topic 805-20-55-37, Whether Mineral Rights are Tangible or Intangible Assets. The carrying costs are assessed for impairment under ASC Topic 360-36-10-35-20, Accounting for Impairment or Disposal of Long-Lived Assets whenever events or changes in circumstances indicate that the carrying costs may not be recoverable.

The Company also evaluates the carrying value of acquired mineral property rights in accordance with ASC Topic 930-360-35-1, Mining Assets: Impairment and Business Combinations, using the Value Beyond Proven and Probable (VBPP) method. The fair value of a mining asset generally includes both VBPP and an estimate of the future market price of the minerals. When the Company has capitalized mineral property costs, these properties will be periodically assessed for impairment of value. Once a property reaches the production stage, the related capitalized costs will be amortized, using the units of production method.

Additionally the Company expenses as incurred all maintenance and exploration property costs. Since the Company is unable to support continued capitalization of acquisition costs, the Company has recognized impairment charges of $18,224,000 for the twelve month period ended September 30, 2010 and $2,080,000 for the twelve month period ended September 30, 2011.

L. DEFERRED COMPENSATION

Deferred compensation consists of the unamortized value of common stock issued to Directors and Consultants for future services, amortized over two years from May 1, 2010. An analysis of deferred expenses follows:

R Y Lowenthal was issued 2,500,000 shares of Common Stock on April 30, 2010 in respect his salary for a 2 (two) year period under his Service Agreement. This was valued at $50,000 for the 2 (two) year period.

An amount of $10,417 was expensed for the financial year ended September 30, 2010.

An amount of $25,000 was expensed for the financial year ended September 30, 2011.

The balance in the amount of $14,583 is reflected as deferred compensation.

N E Blom was issued 2,500,000 shares of Common Stock on September 29, 2011 in respect his salary for a 2 (two) year period under his Service Agreement. This was valued at $50,000 for the 2 (two) year period.

An amount of $2,083 was expensed for the financial year ended September 30, 2011.

The balance in the amount of $47,917 is reflected as deferred compensation.

NOTE 7. GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 8. SERVICE AGREEMENTS

On April 30, 2010, the Company entered into a 2 (two) year service agreement with Mr. Ronald Yadin Lowenthal, the Company's Executive Chairman. As compensation under the agreement, the Company agreed to issue 2,500,000 restricted shares. Mr. Lowenthal has agreed that these 2,500,000 restricted shares of the Company's common stock will not be in any manner either assigned, pledged, sold, lent or in any way alienated for a period of 2 (two) years commencing from the date of the agreement and terminating on March 31, 2012. As a signing bonus, the Company agreed to issue 9,500,000 restricted shares of its common stock to Mr. Lowenthal. Mr. Lowenthal has agreed that these 9,500,000 restricted shares of the Company's common stock will not be in any manner either assigned, pledged, sold, lent or in any way alienated for a period of 2 (two) years commencing from the date of the agreement and terminating on March 31, 2012. Through the fiscal year ended September 30, 2010, these shares of common stock were issued pursuant to this agreement, including 9,500,000 shares reflecting the signing bonus, for a total value of $10,417 and $190,000 respectively.

On September 29, 2011, the Company entered into a 2 (two) year service agreement with Mr. Nicolaas Edward (“Ted”) Blom, the Company's President and Chief Executive Officer. As compensation under the agreement, the Company agreed to issue 2,000,000 restricted shares. Mr. Blom has agreed that these 2,000,000 restricted shares of the Company's common stock will not be in any manner either assigned, pledged, sold, lent or in any way alienated for a period of 2 (two) years commencing from the date of the agreement and terminating on September 28, 2013 As a signing bonus, the Company agreed to issue 10,000,000 restricted shares of its common stock to Mr. Blom. Mr. Blom has agreed that these 10,000,000 restricted shares of the Company's common stock will not be in any manner either assigned, pledged, sold, lent or in any way alienated for a period of 2 (two) years commencing from the date of the agreement and terminating on September 28, 2014. Through the fiscal year ended September 30, 2011, these shares of common stock were issued pursuant to this agreement, including 10,000,000 shares reflecting the signing bonus, for a total value of $2,083 and $100 respectively.

Due to the Company's current lack of cash flows it has determined that a share-based payment arrangement is the most appropriate way to compensate its officers.

Pursuant to ASC 505-50-S99-1 the above mentioned shares have been treated as unissued for accounting purposes until the future services are received (that is, the shares are not considered issued until they are earned). Consequently, there will be no recognition at the measurement date and no entry will be recorded. Consequently, the paid in capital and related expense are only recognized as services are performed, by employee or non-employee. The shares are still included in "Issued and Outstanding" amounts, but there is no actual journal entry until the services are performed. At that point, the appropriate expense is debited and the appropriate capital accounts are credited.

NOTE 9. ACQUISITION OF MINES

A. "KIT CARSON", "POTTS MOUNTAIN" AND "SILVERFIELDS"

The Company issued 97,000,000 restricted shares of its Common Stock to 15 different sellers on May 3, 2010 in order to acquire its initial three Silver Exploration Properties being "Kit Carson", "Potts Mountain" and "Silverfields" at a deemed price of $1,940,000. The Company issued Convertible Loan Notes to the 15 different sellers in the amount of $7,184,000. These Convertible Loan Notes fell due on May 2, 2011. On December 1, 2011, all of the holders of these Convertible Loan Notes consented to an extension of the due date to May 2, 2014 The terms of these Convertible Notes are described in a separate note in these financial statements.

The restricted shares of Common Stock and Convertible Loan Notes issued in terms of this acquisition were as follows:

Name	Principal Amount of Convertible Notes Issued	Number of Shares
Middle Verde Development Co., LLC	$ 390,567	5,275,000
Searchlight Exploration, LLC	$ 390,567	5,275,000
Stelan Real Estate Management, Inc.	$ 781,134	10,550,000
Castlewood Capital Group, S.A.	$ 337,303	4,554,000
Highwave Management Corp.	$ 449,739	6,072,000
Streetside Holdings AG	$ 505,956	6,831,000
Artco Capital Ltd.	$ 393,520	5,313,000
Insight Holdings, S.A.	$ 505,956	6,831,000
Emerald International Corporation	$ 449,739	6,072,000
Saffron Ventures GmbH	$ 505,956	6,831,000
Liberty Investment Services Ltd.	$ 505,956	6,831,000
Macy Ocean Enterprises, Inc.	$ 449,739	6,072,000
Neutral Bay Investments, S.A.	$ 505,956	6,831,000
Diamond Peak Resource Corporation	$ 505,956	6,831,000
Western Treasure Holdings Corp.	$ 505,956	6,831,000
TOTAL	**$ 7,184,000**	**97,000,000**

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Work Commitments:

The Company shall make the “Work Expenditures” on or for the benefit of the “Kit Carson”, “Silverfields” and “Potts Mountain” Silver Properties, as follows:

The sum of $100,000 (One hundred thousand dollars) on or before June 30, 2012; and

The sum of $100,000 (One hundred thousand dollars) on or before December 31 of each year thereafter.

A “Net Profits Interest” (See Note 1) and a “Net Smelter Royalty” (See Note 2) is payable to Middle Verde Development Co., LLC and Searchlight Exploration, LLC (“Claimholders”).

Company shall maintain in good standing all unpatented mining claims that comprise the Property. Company shall, as required by the Federal Government with respect to unpatented mining claims on federal lands, perform required assessment work or timely pay all claim maintenance or rental fees and all required property taxes, and shall timely make all filings and recordings in the appropriate governmental offices required in connection with such payments. In the event Claimholder makes any such payment (although it shall have no obligation to do so), Company shall promptly reimburse Claimholder for payment of such holding costs upon receipt by Company of evidence of such payment.
Company shall have the right to amend or relocate in the name(s) of Claimholder any unpatented mining claims included in the Property, to locate different types of claims on ground covered by existing claims, and to locate any fractions.

Company agrees to carry such insurance, covering all persons working at or on the Property for Company, as will fully comply with the requirements of the statutes of the State of Arizona pertaining to worker's compensation and occupational disease and disabilities as are now in force or as may be hereafter amended or enacted. In addition, Company agrees to carry liability insurance with respect to its operations at the Property in reasonable amounts in accordance with accepted industry practices.

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Note 1:

The Claimholder reserves a 5% (Five percent) net profits interest (“NPI”) in the Property. For purposes of Claimholder's and Company's respective NPI, "Net Profits" shall be calculated pursuant to generally accepted accounting principles in the United States of America, provided, however, that the calculation of net profits shall not include any benefit or loss from price hedging and price protection arrangements conducted by or on behalf of Company and, provided, further, that Company shall be entitled to deduct from revenues only the following percentages of total operating costs in lieu of headquarters overhead and headquarters general and administrative expenses: 3% (Three percent) during the development/construction stage of operations and 1% (one percent) during the mining and processing stage of operations and, provided, further, that no deduction shall be made for depletion or depreciation. Claimholder’s NPI shall be a fully carried interest, and Claimholder shall not be required to fund any expenses relating to the Property or its exploration, development, production or reclamation.

Note 2:

The Claimholder hereby reserves a 4% (Four percent) net smelter returns royalty ("NSR Royalty") for all commodities produced. For purposes of this Agreement, the "net smelter return" is defined as the amount of money which the smelter or refinery, as the case may be, pays the Company for the commodity based on the then current spot price of gold and silver, with deductions for costs associated with further processing but without deductions for taxes, calculated on an FOB mine site basis

General Note:

"Work Expenditures" is defined as sums spent or incurred by Company directly on the Property for exploration and development of the Property, including drilling, geochemical sampling, geophysical or seismic survey, assaying, and ore reserve calculation; metallurgical and engineering analyses; environmental and permitting analyses and activities; feasibility studies; and financing investigations; plus 5% (Five percent) of such direct costs in lieu of headquarters overhead and general and administrative expenditures.

NOTES TO THE FINANCIAL STATEMENTS

B. "ESTER BASIN"

The Company issued 21,000,000 restricted shares of its Common Stock to 15 different sellers on May 3, 2010 in order to acquire the "Ester Basin" Gold Exploration Properties at a deemed price of $420,000. The Company issued Convertible Loan Notes to the 15 different sellers in the amount of $2,000,000. These Convertible Loan Notes fell due on May 2, 2011. On December 1, 2011, all of the holders of these Convertible Loan Notes consented to an extension of the due date to May 2, 2014 The terms of these Convertible Notes are described in a separate note in these financial statements.

The restricted shares of Common Stock and Convertible Loan Notes issued in terms of this acquisition were as follows:

Name	Principal Amount of Convertible Notes Issued	Number of Shares
Searchlight Exploration, LLC	$ 199,980	2,100,000
Stelan Real Estate Management, Inc.	$ 199,980	2,100,000
Castlewood Capital Group, S.A.	$ 96,002	1,008,000
Highwave Management Corp.	$ 128,002	1,344,000
Streetside Holdings AG	$ 144,004	1,512,000
Artco Capital Ltd.	$ 112,003	1,176,000
Insight Holdings, S.A.	$ 144,004	1,512,000
Emerald International Corporation	$ 128,002	1,344,000
Saffron Ventures GmbH	$ 144,004	1,512,000
Liberty Investment Services Ltd.	$ 144,004	1,512,000
Macy Ocean Enterprises, Inc.	$ 128,003	1,344,000
Neutral Bay Investments, S.A.	$ 144,004	1,512,000
Diamond Peak Resource Corporation	$ 144,004	1,512,000
Western Treasure Holdings Corp.	$ 144,004	1,512,000
TOTAL	**$2,000,000**	**21,000,000**

Work Commitments:

The Company shall make the "Work Expenditures" on or for the benefit of the "Ester Basin" Gold Properties in the following amounts:

The sum of $20,000 (Twenty thousand dollars) on or before June 30, 2012; and

The sum of $20,000 (Twenty thousand dollars) on or before December 31 of each year thereafter.

A "Net Profits Interest" (See Note 1) and a "Net Smelter Royalty" (See Note 2) is payable to Searchlight Exploration, LLC ("Claimholders").

Company shall maintain in good standing all unpatented mining claims that comprise the Property. Company shall, as required by the Federal Government with respect to unpatented mining claims on federal lands, perform required assessment work or timely pay all claim maintenance or rental fees and all required property taxes, and shall timely make all filings and recordings in the appropriate governmental offices required in connection with such payments. In the event Claimholder makes any such payment (although it shall have no obligation to do so), Company shall promptly reimburse Claimholder for payment of such holding costs upon receipt by Company of evidence of such payment.

Company shall have the right to amend or relocate in the name(s) of Claimholder any unpatented mining claims included in the Property, to locate different types of claims on ground covered by existing claims, and to locate any fractions.

Company agrees to carry such insurance, covering all persons working at or on the Property for Company, as will fully comply with the requirements of the statutes of the State of Arizona pertaining to worker's compensation and occupational disease and disabilities as are now in force or as may be hereafter amended or enacted. In addition, Company agrees to carry liability insurance with respect to its operations at the Property in reasonable amounts in accordance with accepted industry practices.

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Note 1:

The Claimholder reserves a 5% (Five percent) net profits interest ("NPI") in the Property. For purposes of Claimholder's and Company's respective NPI, "Net Profits" shall be calculated pursuant to generally accepted accounting principles in the United States of America, provided, however, that the calculation of net profits shall not include any benefit or loss from price hedging and price protection arrangements conducted by or on behalf of Company and, provided, further, that Company shall be entitled to deduct from revenues only the following percentages of total operating costs in lieu of headquarters overhead and headquarters general and administrative expenses: 3% (Three percent) during the development/construction stage of operations and 1% (one percent) during the mining and processing stage of operations and, provided, further, that no deduction shall be made for depletion or depreciation. Claimholder's NPI shall be a fully carried interest, and Claimholder shall not be required to fund any expenses relating to the Property or its exploration, development, production or reclamation.

Note 2:

The Claimholder hereby reserves a 4% (Four percent) net smelter returns royalty ("NSR Royalty") for all commodities produced. For purposes of this Agreement, the "net smelter return" is defined as the amount of money which the smelter or refinery, as the case may be, pays the Company for the commodity based on the then current spot price of gold and silver, with deductions for costs associated with further processing but without deductions for taxes, calculated on an FOB mine site basis

General Note:

"Work Expenditures" is defined as sums spent or incurred by Company directly on the Property for exploration and development of the Property, including drilling, geochemical sampling, geophysical or seismic survey, assaying, and ore reserve calculation; metallurgical and engineering analyses; environmental and permitting analyses and activities; feasibility studies; and financing investigations; plus 5% (Five percent) of such direct costs in lieu of headquarters overhead and general and administrative expenditures.

C. "CLARA"

The Company issued 30,000,000 restricted shares of its Common Stock to 15 different sellers on September 2, 2010 in order to acquire the "Clara" Gold Exploration Properties at a deemed price of $600,000. The Company issued Convertible Loan Notes to the 15 different sellers in the amount of $4,000,000. These Convertible Loan Notes fell due on September 1, 2011. On December 1, 2011, all of the holders of these Convertible Loan Notes consented to an extension of the due date to September 1, 2014 The terms of these Convertible Notes are described in a separate note in these financial statements.

The restricted shares of Common Stock and Convertible Loan Notes issued in terms of this acquisition were as follows:

Name	Principal Amount of Convertible Notes Issued	Number of Shares
Searchlight Exploration, LLC	$ 233,200	1,750,000
Anaconda Exploration, LLC	$ 233,200	1,750,000
Stelan Real Estate Management, Inc.	$ 233,200	1,750,000
Castlewood Capital Group, S.A.	$ 198,024	1,485,000
Highwave Management Corp.	$ 264,032	1,980,000
Streetside Holdings AG	$ 297,036	2,227,500
Artco Capital Ltd.	$ 231,028	1,732,500
Insight Holdings, S.A.	$ 297,036	2,227,500
Emerald International Corporation	$ 264,032	1,980,000
Saffron Ventures GmbH	$ 297,036	2,227,500
Liberty Investment Services Ltd.	$ 297,036	2,227,500
Macy Ocean Enterprises, Inc.	$ 264,032	1,980,000
Neutral Bay Investments, S.A.	$ 297,036	2,227,500
Diamond Peak Resource Corporation	$ 297,036	2,227,500
Western Treasure Holdings Corp.	$ 297,036	2,227,500
TOTAL	**$4,000,000**	**30,000,000**

NOTES TO THE FINANCIAL STATEMENTS

Work Commitments:

The Company shall make the "Work Expenditures" on or for the benefit of the "Clara" Gold Properties in the following amounts:

The sum of $20,000 (Twenty thousand dollars) on or before June 30, 2012; and

The sum of $20,000 (Twenty thousand dollars) on or before December 31 of each year thereafter.

A "Net Profits Interest" (See Note 1) and a "Net Smelter Royalty" (See Note 2) is payable to Anaconda Exploration, LLC and Searchlight Exploration, LLC ("Claimholders").

Company shall maintain in good standing all unpatented mining claims that comprise the Property. Company shall, as required by the Federal Government with respect to unpatented mining claims on federal lands, perform required assessment work or timely pay all claim maintenance or rental fees and all required property taxes, and shall timely make all filings and recordings in the appropriate governmental offices required in connection with such payments. In the event Claimholder makes any such payment (although it shall have no obligation to do so), Company shall promptly reimburse Claimholder for payment of such holding costs upon receipt by Company of evidence of such payment.

Company shall have the right to amend or relocate in the name(s) of Claimholder any unpatented mining claims included in the Property, to locate different types of claims on ground covered by existing claims, and to locate any fractions.

Company agrees to carry such insurance, covering all persons working at or on the Property for Company, as will fully comply with the requirements of the statutes of the State of Arizona pertaining to worker's compensation and occupational disease and disabilities as are now in force or as may be hereafter amended or enacted. In addition, Company agrees to carry liability insurance with respect to its operations at the Property in reasonable amounts in accordance with accepted industry practices.

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Note 1:

The Claimholder reserves a 5% (Five percent) net profits interest (“NPI”) in the Property. For purposes of Claimholder's and Company's respective NPI, "Net Profits" shall be calculated pursuant to generally accepted accounting principles in the United States of America, provided, however, that the calculation of net profits shall not include any benefit or loss from price hedging and price protection arrangements conducted by or on behalf of Company and, provided, further, that Company shall be entitled to deduct from revenues only the following percentages of total operating costs in lieu of headquarters overhead and headquarters general and administrative expenses: 3% (Three percent) during the development/construction stage of operations and 1% (one percent) during the mining and processing stage of operations and, provided, further, that no deduction shall be made for depletion or depreciation. Claimholder’s NPI shall be a fully carried interest, and Claimholder shall not be required to fund any expenses relating to the Property or its exploration, development, production or reclamation.

Note 2:

The Claimholder hereby reserves a 4% (Four percent) net smelter returns royalty ("NSR Royalty") for all commodities produced. For purposes of this Agreement, the "net smelter return" is defined as the amount of money which the smelter or refinery, as the case may be, pays the Company for the commodity based on the then current spot price of gold and silver, with deductions for costs associated with further processing but without deductions for taxes, calculated on an FOB mine site basis

General Note:

"Work Expenditures" is defined as sums spent or incurred by Company directly on the Property for exploration and development of the Property, including drilling, geochemical sampling, geophysical or seismic survey, assaying, and ore reserve calculation; metallurgical and engineering analyses; environmental and permitting analyses and activities; feasibility studies; and financing investigations; plus 5% (Five percent) of such direct costs in lieu of headquarters overhead and general and administrative expenditures.

D. "BURNT WELL"

The Company issued 14,000,000 restricted shares of its Common Stock to 15 different sellers on September 29, 2010 in order to acquire the "Clara" Gold Exploration Properties at a deemed price of $280,000. The Company issued Convertible Loan Notes to the 15 different sellers in the amount of $1,800,000. These Convertible Loan Notes fell due on September 28, 2011. On December 1, 2011, all of the holders of these Convertible Loan Notes consented to an extension of the due date to September 28, 2014 The terms of these Convertible Notes are described in a separate note in these financial statements.

The restricted shares of Common Stock and Convertible Loan Notes issued in terms of this acquisition were as follows:

Name	Principal Amount of Convertible Notes Issued	Number of Shares
Searchlight Exploration, LLC	$ 89,500	693,000
Anaconda Exploration, LLC	$ 89,500	693,000
Stelan Real Estate Management, Inc.	$ 179,000	1,386,000
Castlewood Capital Group, S.A.	$ 86,520	673,680
Highwave Management Corp.	$ 115,369	898,240
Streetside Holdings AG	$ 129,780	1,010,520
Artco Capital Ltd.	$ 100,940	785,960
Insight Holdings, S.A.	$ 129,780	1,010,520
Emerald International Corporation	$ 115,351	898,240
Saffron Ventures GmbH	$ 129,780	1,010,520
Liberty Investment Services Ltd.	$ 129,780	1,010,520
Macy Ocean Enterprises, Inc.	$ 115,360	898,240
Neutral Bay Investments, S.A.	$ 129,780	1,010,520
Diamond Peak Resource Corporation	$ 129,780	1,010,520
Western Treasure Holdings Corp.	$ 129,780	1,010,520
TOTAL	**$1,800,000**	**14,000,000**

Work Commitments:

The Company shall make the “Work Expenditures” on or for the benefit of the “Burnt Well” Gold Properties in the following amounts:

The sum of $20,000 (Twenty thousand dollars) on or before June 30, 2012; and

The sum of $20,000 (Twenty thousand dollars) on or before December 31 of each year thereafter.

A “Net Profits Interest” (See Note 1) and a “Net Smelter Royalty” (See Note 2) is payable to Anaconda Exploration, LLC and Searchlight Exploration, LLC (“Claimholders”).

Company shall maintain in good standing all unpatented mining claims that comprise the Property. Company shall, as required by the Federal Government with respect to unpatented mining claims on federal lands, perform required assessment work or timely pay all claim maintenance or rental fees and all required property taxes, and shall timely make all filings and recordings in the appropriate governmental offices required in connection with such payments. In the event Claimholder makes any such payment (although it shall have no obligation to do so), Company shall promptly reimburse Claimholder for payment of such holding costs upon receipt by Company of evidence of such payment.

Company shall have the right to amend or relocate in the name(s) of Claimholder any unpatented mining claims included in the Property, to locate different types of claims on ground covered by existing claims, and to locate any fractions.
Company agrees to carry such insurance, covering all persons working at or on the Property for Company, as will fully comply with the requirements of the statutes of the State of Arizona pertaining to worker's compensation and occupational disease and disabilities as are now in force or as may be hereafter amended or enacted. In addition, Company agrees to carry liability insurance with respect to its operations at the Property in reasonable amounts in accordance with accepted industry practices.

NOTES TO THE FINANCIAL STATEMENTS

Note 1:

The Claimholder reserves a 5% (Five percent) net profits interest ("NPI") in the Property. For purposes of Claimholder's and Company's respective NPI, "Net Profits" shall be calculated pursuant to generally accepted accounting principles in the United States of America, provided, however, that the calculation of net profits shall not include any benefit or loss from price hedging and price protection arrangements conducted by or on behalf of Company and, provided, further, that Company shall be entitled to deduct from revenues only the following percentages of total operating costs in lieu of headquarters overhead and headquarters general and administrative expenses: 3% (Three percent) during the development/construction stage of operations and 1% (one percent) during the mining and processing stage of operations and, provided, further, that no deduction shall be made for depletion or depreciation. Claimholder's NPI shall be a fully carried interest, and Claimholder shall not be required to fund any expenses relating to the Property or its exploration, development, production or reclamation.

Note 2:

The Claimholder hereby reserves a 4% (Four percent) net smelter returns royalty ("NSR Royalty") for all commodities produced. For purposes of this Agreement, the "net smelter return" is defined as the amount of money which the smelter or refinery, as the case may be, pays the Company for the commodity based on the then current spot price of gold and silver, with deductions for costs associated with further processing but without deductions for taxes, calculated on an FOB mine site basis

General Note:

"Work Expenditures" is defined as sums spent or incurred by Company directly on the Property for exploration and development of the Property, including drilling, geochemical sampling, geophysical or seismic survey, assaying, and ore reserve calculation; metallurgical and engineering analyses; environmental and permitting analyses and activities; feasibility studies; and financing investigations; plus 5% (Five percent) of such direct costs in lieu of headquarters overhead and general and administrative expenditures.

E. ADDITIONAL CLAIMS AT THE "KIT CARSON" SILVER EXPLORATION PROPERTY

The Company issued 14,000,000 restricted shares of its Common Stock to 15 different sellers on December 2, 2010 in order to acquire its initial three Silver Exploration Properties being "Kit Carson", "Potts Mountain" and "Silverfields" at a deemed price of $280,000. The Company issued Convertible Loan Notes to the 15 different sellers in the amount of $1,800,000. These Convertible Loan Notes fell due on December 1, 2011. On December 1, 2011, all of the holders of these Convertible Loan Notes consented to an extension of the due date to December 1, 2014 The terms of these Convertible Notes are described in a separate note in these financial statements.

The restricted shares of Common Stock and Convertible Loan Notes issued in terms of this acquisition were as follows:

Name	Principal Amount of Convertible Notes Issued	Number of Shares
Searchlight Exploration, LLC	$ 89,500	693,000
Middle Verde Development Co., LLC	$ 89,500	693,000
Stelan Real Estate Management, Inc.	$ 179,000	1,386,000
Castlewood Capital Group, S.A.	$ 86,520	673,680
Highwave Management Corp.	$ 115,369	898,240
Streetside Holdings AG	$ 129,780	1,010,520
Artco Capital Ltd.	$ 100,940	785,960
Insight Holdings, S.A.	$ 129,780	1,010,520
Emerald International Corporation	$ 115,351	898,240
Saffron Ventures GmbH	$ 129,780	1,010,520
Liberty Investment Services Ltd.	$ 129,780	1,010,520
Macy Ocean Enterprises, Inc.	$ 115,360	898,240
Neutral Bay Investments, S.A.	$ 129,780	1,010,520
Diamond Peak Resource Corporation	$ 129,780	1,010,520
Western Treasure Holdings Corp.	$ 129,780	1,010,520
TOTAL	**$1,800,000**	**14,000,000**

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Work Commitments:

The Company shall make the “Work Expenditures” on or for the benefit of the additional claims on the “Kit Carson” Silver Properties in the following amounts:

The sum of $20,000 (One hundred thousand dollars) on or before June 30, 2012; and

The sum of $20,000 (One hundred thousand dollars) on or before December 31 of each year thereafter.

A “Net Profits Interest” (See Note 1) and a “Net Smelter Royalty” (See Note 2) is payable to Middle Verde Development Co., LLC and Searchlight Exploration, LLC (“Claimholders”).

Company shall maintain in good standing all unpatented mining claims that comprise the Property. Company shall, as required by the Federal Government with respect to unpatented mining claims on federal lands, perform required assessment work or timely pay all claim maintenance or rental fees and all required property taxes, and shall timely make all filings and recordings in the appropriate governmental offices required in connection with such payments. In the event Claimholder makes any such payment (although it shall have no obligation to do so), Company shall promptly reimburse Claimholder for payment of such holding costs upon receipt by Company of evidence of such payment.

Company shall have the right to amend or relocate in the name(s) of Claimholder any unpatented mining claims included in the Property, to locate different types of claims on ground covered by existing claims, and to locate any fractions.

Company agrees to carry such insurance, covering all persons working at or on the Property for Company, as will fully comply with the requirements of the statutes of the State of Arizona pertaining to worker's compensation and occupational disease and disabilities as are now in force or as may be hereafter amended or enacted. In addition, Company agrees to carry liability insurance with respect to its operations at the Property in reasonable amounts in accordance with accepted industry practices.

NOTES TO THE FINANCIAL STATEMENTS

Note 1:

The Claimholder reserves a 5% (Five percent) net profits interest ("NPI") in the Property. For purposes of Claimholder's and Company's respective NPI, "Net Profits" shall be calculated pursuant to generally accepted accounting principles in the United States of America, provided, however, that the calculation of net profits shall not include any benefit or loss from price hedging and price protection arrangements conducted by or on behalf of Company and, provided, further, that Company shall be entitled to deduct from revenues only the following percentages of total operating costs in lieu of headquarters overhead and headquarters general and administrative expenses: 3% (Three percent) during the development/construction stage of operations and 1% (one percent) during the mining and processing stage of operations and, provided, further, that no deduction shall be made for depletion or depreciation. Claimholder's NPI shall be a fully carried interest, and Claimholder shall not be required to fund any expenses relating to the Property or its exploration, development, production or reclamation.

Note 2:

The Claimholder hereby reserves a 4% (Four percent) net smelter returns royalty ("NSR Royalty") for all commodities produced. For purposes of this Agreement, the "net smelter return" is defined as the amount of money which the smelter or refinery, as the case may be, pays the Company for the commodity based on the then current spot price of gold and silver, with deductions for costs associated with further processing but without deductions for taxes, calculated on an FOB mine site basis

General Note:

"Work Expenditures" is defined as sums spent or incurred by Company directly on the Property for exploration and development of the Property, including drilling, geochemical sampling, geophysical or seismic survey, assaying, and ore reserve calculation; metallurgical and engineering analyses; environmental and permitting analyses and activities; feasibility studies; and financing investigations; plus 5% (Five percent) of such direct costs in lieu of headquarters overhead and general and administrative expenditures.

Pursuant to ASC No. 360-10-15, "Impairment or Disposal of Long-Lived Assets", a charge to operating costs of $18,224,000 was recorded. The charge included the impairment of the "Kit Carson" Silver Exploration Property, the "Potts Mountain" Silver Exploration Property, the "Silverfields" Silver Exploration Property, the "Clara" Gold Exploration Property and the "Burnt Well" Gold Exploration Property; due to the lack of funds needed to further develop the mines and hence the lack any future expected cash flows.

NOTE 10. WARRANTS AND OPTIONS

There are no warrants or options outstanding to acquire any additional shares of common stock.

NOTE 11. RELATED PARTY TRANSACTIONS

The Officers and the directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities as they become available. Thus they may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

NOTE 12. INCOME TAXES

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carry forwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company recorded a valuation allowance. As of September 30, 2011 and 2010, the Company has a net operating loss carry forwards of approximately $21,703,597 and $18,721,319. Net operating loss carry forward expires twenty years from the date the loss was incurred.

NOTE 13. LOAN - UNRELATED PARTY

Angel Vest, LLC has provided an amount of $47,460 in respect of a Loan to GNCC Capital, Inc. This facility is unsecured, bears interest at the rate of 10% (ten percent) per annum and is repayable on May 1, 2011. Angel Vest, LLC agreed to extend the repayment of this Loan by the Company, for an indefinite period of time.

NOTE 14. STOCK TRANSACTIONS

Transactions, other than employees' stock issuance, are in accordance with ASC No. 505. Thus issuances shall be accounted for based on the fair value of the consideration received. Transactions with employees' stock issuance are in accordance with ASC No. 718. These issuances shall be accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, or whichever is more readily determinable.

The Company issued 12,000,000 common shares to Mr. R Y Lowenthal on April 30, 2010 in respect of his Service Agreement at a deemed price of $240,000.

The Company issued 97,000,000 common shares to 15 different sellers on May 3, 2010 in order to acquire its initial three Silver Exploration Properties at a deemed price of $1,940,000.

The Company issued 21,000,000 common shares to 15 different sellers on May 3, 2010 in order to acquire its “Ester Basin” Gold Exploration Properties at a deemed price of $420,000.

The Company issued 30,000,000 common shares to 15 different sellers on September 2, 2010 in order to acquire its “Clara” Gold Exploration Properties at a deemed price of $600,000.

The Company issued 14,000,000 common shares to 15 different sellers on September 29, 2010 in order to acquire its “Burnt Well” Gold Exploration Properties at a deemed price of $280,000.

The Company issued 14,000,000 common shares to 15 different sellers on December 2, 2010 in order to acquire additional claims at its “Kit Carson” Silver Exploration Properties at a deemed price of $280,000

The Company issued 12,000,000 common shares to Mr. N E Blom on September 29, 2011 in respect of his Service Agreement at a deemed price of $50,100.

As of September 30, 2011 the Company had 203,133,470 shares of common stock issued and outstanding. All 203,133,470 shares issued and outstanding carry full voting rights.

NOTE 15. CONVERTIBLE LOAN NOTES PAYABLE

As at September 30, 2011, the Company had issued Convertible Loan Notes in the amount of $16,784,000 to fund the acquisition of the Company's Silver and Gold Exploration Properties.

On December 1, 2011, the holders of each of these Convertible Loan Notes consented to an extension of 3 (three) years from the due date of these Convertible Loan Notes.

These Convertible Loan Notes bear interest at 5% (five percent) per annum.

The salient terms of these Convertible Loan Notes, are as follows:

A. Interest:

The Company promises to pay interest at the Interest Rate in cash on the principal amount of this Note. The Company will pay cash interest semiannually in arrears on June 30 and December 31 of each year (each an "Interest Payment Date"), beginning on December 31, 2010, to Holders of record at the close of business on the preceding June 15 and December 15 (whether or not a business day) (each a "Regular Record Date"), as the case may be, immediately preceding such Interest Payment Date. Cash interest on the Notes will accrue from the most recent date to which interest has been paid or duly provided or, if no interest has been paid, from the Issue Date. Cash interest will be computed on the basis of a 360-day year of twelve 30-day months. The Company shall pay cash interest on overdue principal at the rate borne by the Notes, and it shall pay interest in cash on overdue installments of cash interest at the same rate to the extent lawful. All such overdue cash interest shall be payable on demand. Upon conversion, accrued and unpaid interest shall be deemed paid in full rather than cancelled, extinguished or forfeited.

B. Optional Redemption:

The Note is not redeemable prior to December 31, 2010. On and after December 31, 2010, the Company may at its option, redeem the Notes in whole or in part at any time or in part from time to time, in cash. If the Company redeems the Notes at its option, the Notes will be redeemed at a redemption price equal to 100% (One hundred percent) of the principal amount (the "Redemption Price"), plus accrued and unpaid interest, if any, to (but not including) the Redemption Date. If a Redemption Date is after a Regular Record Date but on or prior to the corresponding Interest Payment Date, the accrued and unpaid interest becoming due on such date shall be payable to the Holders of such Notes, or one or more predecessor Notes, registered as such on the relevant Regular Record Date according to their terms, and the Redemption Price shall not include such interest payment. If fewer than all the Notes are to be redeemed, the Agent shall select the particular Notes to be redeemed from the outstanding Notes by lot or shall redeem each note proportionally.

On and after the Redemption Date, interest ceases to accrue on Notes or portions of Notes called for redemption, unless the Company defaults in the payment of the Redemption Price and accrued and unpaid interest.

30 (Thirty) days prior notice of redemption will be given by the Company to the Holders at their registered address of record.

No sinking fund is provided for the Notes.

C. Conversion of Note:

Except as set forth in the next sentence, a Holder of a Note may convert such Note (or any portion thereof equal to $1,000 or any integral multiple of $1,000 in excess thereof) into Common Stock at any time at the Conversion Rate then in effect. If such Note is called for redemption, such conversion right shall terminate at the close of business on the second Business Day prior to the Redemption Date for such Note (unless the Company shall default in making the redemption payment when due, in which case the conversion right shall terminate at the close of business on the date such default is cured and such Note is redeemed).

The number of shares of Common Stock issuable upon conversion of a Note shall be determined by dividing the principal amount of the Note or portion thereof surrendered for conversion by $1,000, and then multiplying the quotient by the Conversion Rate in effect on the Conversion Date. The "Conversion Rate" is based on the average trading price as reported for the 5 (Five) trading days preceding the date of conversion. The Company shall pay cash adjustment in lieu of any fractional share of Common Stock.

To convert a Certificated Note, a Holder must (1) complete and manually sign a conversion notice in the form of Exhibit A hereto (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent, (2) surrender the Note to the Conversion Agent, (3) furnish appropriate endorsements and transfer documents if required by the Conversion Agent, the Company or the Agent and (4) pay any transfer or similar tax, if required.

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Schedule of Convertible Notes Issued as at September 30, 2010:

Loan Note Issued To	Amount	Due Date
Acquisition of Three Silver Properties dated May 3, 2010:		
Middle Verde Development Co., LLC	$ 390,567	05/03/2011
Searchlight Exploration, LLC	$ 390,567	05/03/2011
Stelan Real Estate Management, Inc.	$ 781,134	05/03/2011
Castlewood Capital Group, S.A.	$ 337,303	05/03/2011
Highwave Management Corp.	$ 449,739	05/03/2011
Streetside Holdings AG	$ 505,956	05/03/2011
Artco Capital Ltd.	$ 393,520	05/03/2011
Insight Holdings, S.A.	$ 505,956	05/03/2011
Emerald International Corporation	$ 449,739	05/03/2011
Saffron Ventures GmbH	$ 505,956	05/03/2011
Liberty Investment Services Ltd.	$ 505,956	05/03/2011
Macy Ocean Enterprises, Inc.	$ 449,739	05/03/2011
Neutral Bay Investments, S.A.	$ 505,956	05/03/2011
Diamond Peak Resource Corporation	$ 505,956	05/03/2011
Western Treasure Holdings Corp.	$ 505,956	05/03/2011
SUB TOTAL	**$7,184,000**	

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Schedule of Convertible Notes Issued as at September 30, 2010 (Continued):

Loan Note Issued To	Amount	Due Date
Acquisition of Ester Basin Gold dated May 3, 2010:		
Searchlight Exploration, LLC	$ 199,980	05/03/2011
Stelan Real Estate Management, Inc.	$ 199,980	05/03/2011
Castlewood Capital Group, S.A.	$ 96,002	05/03/2011
Highwave Management Corp.	$ 128,002	05/03/2011
Streetside Holdings AG	$ 144,004	05/03/2011
Artco Capital Ltd.	$ 112,003	05/03/2011
Insight Holdings, S.A.	$ 144,004	05/03/2011
Emerald International Corporation	$ 128,002	05/03/2011
Saffron Ventures GmbH	$ 144,004	05/03/2011
Liberty Investment Services Ltd.	$ 144,004	05/03/2011
Macy Ocean Enterprises, Inc.	$ 128,003	05/03/2011
Neutral Bay Investments, S.A.	$ 144,004	05/03/2011
Diamond Peak Resource Corporation	$ 144,004	05/03/2011
Western Treasure Holdings Corp.	$ 144,004	05/03/2011
SUB TOTAL	**$2,000,000**	
Acquisition of Clara Gold dated September 2, 2010:		
Searchlight Exploration, LLC	$ 233,200	09/02/2011
Anaconda Exploration, LLC	$ 233,200	09/02/2011
Stelan Real Estate Management, Inc.	$ 233,200	09/02/2011
Castlewood Capital Group, S.A.	$ 198,024	09/02/2011
Highwave Management Corp.	$ 264,032	09/02/2011
Streetside Holdings AG	$ 297,036	09/02/2011
Artco Capital Ltd.	$ 231,028	09/02/2011
Insight Holdings, S.A.	$ 297,036	09/02/2011
Emerald International Corporation	$ 264,032	09/02/2011
Saffron Ventures GmbH	$ 297,036	09/02/2011
Liberty Investment Services Ltd.	$ 297,036	09/02/2011
Macy Ocean Enterprises, Inc.	$ 264,032	09/02/2011
Neutral Bay Investments, S.A.	$ 297,036	09/02/2011
Diamond Peak Resource Corporation	$ 297,036	09/02/2011
Western Treasure Holdings Corp.	$ 297,036	09/02/2011
SUB TOTAL	**$4,000,000**	

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Schedule of Convertible Notes Issued as at September 30, 2010 (Continued):

Loan Note Issued To	Amount	Due Date
Acquisition of Burnt Well Gold dated September 29, 2010		
Searchlight Exploration, LLC	$ 89,500	09/29/2011
Anaconda Exploration, LLC	$ 89,500	09/29/2011
Stelan Real Estate Management, Inc.	$ 179,000	09/29/2011
Castlewood Capital Group, S.A.	$ 86,520	09/29/2011
Highwave Management Corp.	$ 115,369	09/29/2011
Streetside Holdings AG	$ 129,780	09/29/2011
Artco Capital Ltd.	$ 100,940	09/29/2011
Insight Holdings, S.A.	$ 129,780	09/29/2011
Emerald International Corporation	$ 115,351	09/29/2011
Saffron Ventures GmbH	$ 129,780	09/29/2011
Liberty Investment Services Ltd.	$ 129,780	09/29/2011
Macy Ocean Enterprises, Inc.	$ 115,360	09/29/2011
Neutral Bay Investments, S.A.	$ 129,780	09/29/2011
Diamond Peak Resource Corporation	$ 129,780	09/29/2011
Western Treasure Holdings Corp.	$ 129,780	09/29/2011
SUB TOTAL	**$1,800,000**	

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Schedule of Convertible Notes Issued as at September 30, 2010 (Continued):

Loan Note Issued To	Amount	Due Date
Searchlight Exploration, LLC	$ 89,500	12/02/2011
Middle Verde Development Co., LLC	$ 89,500	12/02/2011
Stelan Real Estate Management, Inc.	$ 179,000	12/02/2011
Castlewood Capital Group, S.A.	$ 86,520	12/02/2011
Highwave Management Corp.	$ 115,369	12/02/2011
Streetside Holdings AG	$ 129,780	12/02/2011
Artco Capital Ltd.	$ 100,940	12/02/2011
Insight Holdings, S.A.	$ 129,780	12/02/2011
Emerald International Corporation	$ 115,351	12/02/2011
Saffron Ventures GmbH	$ 129,780	12/02/2011
Liberty Investment Services Ltd.	$ 129,780	12/02/2011
Macy Ocean Enterprises, Inc.	$ 115,360	12/02/2011
Neutral Bay Investments, S.A.	$ 129,780	12/02/2011
Diamond Peak Resource Corporation	$ 129,780	12/02/2011
Western Treasure Holdings Corp.	$ 129,780	12/02/2011
SUB TOTAL	**$ 1,800,000**	
TOTAL ISSUED CONVERTIBLE LOAN NOTES:	**$16,784,000**	

NOTE 16. CAPITAL STOCK

Preferred Stock:

No Preferred Stock has been authorized.

Common Stock:

We have 500,000,000 authorized shares of Common Stock, $0.00001 par value per share.

All shares of Common Stock have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

NOTE 17. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This section of this report includes a number of forward- looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Plan of Operation

The Company is presently assembling is team of geologists and other consultants to formulate an exploration plan for its precious metals properties. Management's current view is to begin its exploration activities with one or more of the gold exploration properties. However, this is subject to reconsideration depending on the relative future performance of gold and silver as commodities, as well as management's evolving opinion as to the relative value of its six properties. Upon formulation of its initial exploration plan, the company will seek funding for its initial exploration program, which will likely involve the compilation of past exploration results for the selected properties to be explored, followed by geologic mapping (if not already done) and preliminary geochemical and geophysical work to define drill targets, followed by application for drilling permits and conduct of drilling at one or more of the properties. There is no assurance that the company will obtain funding for exploration.

MINING PROPERTY RIGHTS HELD BY THE COMPANY:

GOLD EXPLORATION PROPERTIES:

1. "Clara" Gold Project Property Description:

The Clara Gold Project is located on approximately 480 acres of mining claims in the Santa Maria Mining District in La Paz County, Arizona. There are 24 lode mining claims on land administered by the Bureau of Land Management ("BLM"). Access is obtained by Swansea Rd and Lincoln Ranch Road, which proceed approximately 15 miles north from Arizona Highway 72 at Bouse, Arizona.

The Clara Gold property consists of a Tertiary age sandstone and conglomerate upper plate which has been detached over the top of a lower plate of Precambrian age quartz-feldspar-chlorite gneiss. The gneiss has been intensely brecciated along both the detachment surface and where it has been cut by high angle structures. Clara has exposures of gold and copper in the upper plate, developed by numerous shafts and adits on Gold Hill. Mineralization is dominantly free gold (disseminated and leaf form) and micron gold, along with massive or fracture filling specular hematite, chrysacolla, malachite, barite, fluorite, quartz, calcite, chlorite and manganese oxides. The high angle structures appear to have served as conduits tapping a large deep seated copper / gold system.

Underground sampling by Nevada Pacific, a previous owner, averaged .091 ounces per ton gold, and included a section of continuous chip / channel samples that averaged 0.162 ounces per ton gold over 85 feet. Nevada Pacific's initial drilling included intervals of 45 feet @ 0.097 ounces per ton gold and 15 feet @ 0.089 ounces per ton gold. The Company intends to conduct initial sampling to validate Nevada Pacific's reported results, following which the Company will attempt to develop drill targets at the property.

Clara Exploration History

Exploration materials are available dating back to 1982, when the property was originally acquired by American Gold Minerals Corp., which assigned their interest to Goldsil Mining & Milling, Inc. Goldsil drilled 16 holes and encountered values of up to 0.8 ounces gold per ton (upper plate) and up to 0.10 ounces gold per ton in the gneiss (lower plate), with a resource estimate of up to 400,000 tons of mineralized rock. Goldsil drilled 14 more holes in the south central portion of Section 3 (south of Moreau Hill). A 1986 report described E / W high-angle faults dipping 5 to 10 degrees to the SSE, weak silicification extending into the (lower plate) gneiss and stockwork silica veinlets in the gneiss close to the contact with a breccias zone 5 to 30 feet thick.

In 1986 Phelps Dodge drilled 18 air hammer holes and reported consistent low-grade gold values in Section 35 (Clara Mine area), with estimates of 2,000,000 tons of mineralized rock grading 0.1ppm gold. Work by Gold Fields in 1990 and 1992 was intended to investigate magnetic anomalies and described NE trending structures along the east side of Moreau Hill, as well as the possibility of a lower detachment surface. Some of the gold observed was described as coarse, with detectable flakes, leading to consideration of the possibility of gravity concentration.

Nevada Pacific acquired the property in 1997. Their surface sampling returned gold values of up to 0.652 ounces gold per ton and copper values of up to 20% copper. Underground sampling returned up to 0.512 ounces gold per ton with copper values up to 2.59%. The 36 samples taken by Nevada Pacific averaged 0.091 ounces gold per ton and included a section of continuous chip / channel samples which averaged 0.162 ounces gold per ton over 85 feet. Nevada Pacific then drilled nine holes at Moreau Hill, which included intercepts of 45 feet grading 0.097 ounces gold per ton and 15 feet grading 0.089 ounces gold per ton. The property was then optioned by Echo Bay, which unsuccessfully attempted to drill a barren covered area to the south (not included in the current Clara Gold Project) on the basis of biogeochemical sampling. The project vendors acquired the property from Cordex, and there is an underlying 2% net smelter returns royalty payable to Cordex from the property's production.

NOTES TO THE FINANCIAL STATEMENTS

Regional Geology

The regional geological setting is a major east / west detachment fault (called the "Buckskin / Rawhide Detachment Fault"). Mineralization is found in quartz veins and breccia zones hosted by the upper plate and lower plates. Detachment fault deposits were first recognized as a separate form of gold deposit in the 1980's. The best example of an Arizona detachment gold deposit is probably the Copperstone Gold deposit, which like Clara is in the highly extended Western Arizona terrane, as well as in the "Walker Lane" gold trend. Cyprus Gold mined the approximately 500,000 ounce Copperstone open pit gold resource during the 1980's, and another mining company is presently assessing the feasibility of mining the underground gold resource at Copperstone. Unlike the upper plate Copperstone deposit, gold mineralization at Clara is found in both the upper plate and in the lower plate, as well as in the fault contact area itself. The gold is frequently found in breccias zones with quartz and copper mineralization, which at the surface is frequently in the form of blue – green chrysocolla or green malachite. Also associated with the gold are iron oxides (including hematite), which makes magnetic anomalies potential exploration targets.

Mineralization at the Clara Gold Mines

There are dozens of mine shafts, adits, open pits and other mine workings at the Clara Gold Project. The area was historically developed by the Clara Consolidated Gold & Copper Mining Co. in the early 1900's, and is comprised of two groups of mining claims, called the Clara Mine in the northeast portion of the property and the Moreau Mine in the southwest portion of the property. The property is comprised of 12 unpatented lode claims at the Clara Gold Mine, 6 unpatented lode mining claims at the Moreau Gold Mine, and 6 unpatented mining claims covering mineralized ground between the two mines, making the property a contiguous group of 24 unpatented lode mining claims (480 acres).

Clara Gold Mine

In the area of the open cut at the southwest end of the Clara Gold Mine (McClelland Lode Claim) there is mineralization along the Buckskin / Rawhide detachment fault. Brecciated volcanic rocks above a 1 to 2 meter thick gouge zone contain chalcopyrite, bornite and relict pyrite cubes. Chrysocolla, malachite and selenite are present in fractures. Rocks below the fault are shattered, silicified mylonitic gneisses with fractures containing drusy quartz (1-2 mm crystals), chrysocolla, and specular hematite. Irregular veins of chrysocolla and quartz-hematite-chrysocolla, up to 1 cm thick, cross cut brecciated lower plate rocks. Drusy quartz fills fractures in and along the actual fault zone, and apparently post-dates fault movement. Hematite below the fault in breccias-gouge is late to post-fracturing.

Further to the northeast in the vicinity of the shaft at the northern end of the Klapetsky claim, there is continued mineralization along the Buckskin / Rawhide detachment fault. Shattered chloritic breccias below the fault contain malachite – chrysocolla-hematite-drusy quartz in fractures. Late-stage selenite fills fractures in the upper plate.

At the northeast corner of the Clara Gold Mine in the vicinity of the historic mining camp (Josephine, Wilson and Hazel Lode Claims), many of the shafts, adits and open pit workings are located along and just above the Buckskin / Rawhide detachment fault. Highly fractured upper plate rocks contain chrysocolla (copper oxide) on fracture surfaces. Zones up to 50 cm thick contain quartz, calcite, hematite and manganese oxides. Hematite (iron oxide) staining is pervasive. Mineralized zones typically follow northeast – striking, southeast – dipping shears. The host is silicified and shattered Tertiary sandstone and possibly Tertiary volcanic or hypabyssal rocks.

Moreau Gold Mine

On the northwest flank of Moreau Hill, chrysocolla-malachite-quartz-calcite-botryoidal hematite-silicified hematite is found above and adjacent to the Buckskin / Rawhide detachment fault along gently dipping fractures in Tertiary volcanic breccias. On the southwest flank of Moreau Hill, there are underground workings in crushed rocks along the buckskin / Rawhide detachment fault. Fractures in upper plate silicic Tertiary volcanic or hypabyssal rocks contain hematite, chrysocolla and malachite.

East of Moreau Hill, there is brecciated conglomerate with silica-hematite matrix located above and next to the Buckskin / Rawhide detachment fault. Gently dipping fractures contain much limonite stain and red to black hematite. Sparse gypsum is also present. Further east of Moreau Hill, in the area between the Moreau and Clara Gold Mines, there are adits in crushed rocks along the Buckskin / Rawhide detachment fault. Chrysocolla – malachite-hematite-barite are present in fractures in the fault zone. Another adit 60 meters to the northwest is along an upper plate shear zone containing chrysocolla-malachite-quartz-hematite with quartz occurring primarily as fine-grained coliform overgrowths on other minerals.

2. Burnt Well Gold Project Property Description:

The Burnt Well Gold property is comprised of 9 unpatented lode mining claims (approximately 160 acres) in the Harcuvar Mining District, about 20 miles from the town of Wenden, in La Paz County, Arizona. It is near the northern flank of the eastern Harcuvar Mountains in the eastern portion of Butler Valley. Access is by taking Alamo Road, a paved road, 20 miles north from Wenden, then proceeding east for 6 miles over an unpaved road to the property. The land is administered by the US Bureau of Land Management (BLM). Burnt Well is a former Cordex Exploration Co. ("Cordex") project which includes the historic Silver Lining Mine. There are several shafts, pits and dumps on the property, which explored complex structural zones in the Tertiary hanging wall rocks, just above a regional detachment fault known as the "Bullard Detachment Fault."

The Tertiary rocks are andesite flows, well-bedded siltstones and conglomerates. In the vicinity of the Silver Lining Mine, the upper plate is intensely altered and shattered. The principal outcrop at the Silver Lining Mine is approximately 40 to 80 meters from the detachment fault. The sedimentary rocks on the mine dump contain hematite, chrysocolla, calcite and sparse manganese oxides. Gold, silver and copper mineralization is found in the altered sedimentary rocks. The lower plate rocks, below the Bullard Detachment Fault, do not appear to be mineralized, and include a variety of metamorphic rocks including Precambrian mylonitic gneiss.

Cordex sampling of gold mineralization along structures at the main Burnt Well shaft and adit reportedly yielded gold values up to 34 g / t (1.0 ounce per ton). Also of interest are disseminated gold values ranging from 0.34 to 1.03 g/t (0.01 to 0.03 ounce per ton) in silicified Tertiary siltstones, over widths of 20 feet or more. The Tertiary rocks in the project area are mostly covered by thin pediment gravels. However, two shallow shafts (the "Southwest Shafts") about 1.6 kilometers (1.0 mile) southwest from the Silver Lining Mine, yielded a sample of 3.4 g / t (0.01 ounce per ton) of gold from Tertiary andesite.

Exploration plans include follow-up on magnetic anomalies found by a Cordex surface magnetic survey, as well as additional sampling and geophysical work designed to outline targets for drilling.

Burnt Well Mining District Geology

The upper plate of the Bullard detachment fault contains a conglomerate unit with cobbles and pebbles up to 30 cm diameter of mylonitic gneiss, chloritic breccias, foliated and unfoliated granitic rocks, Tertiary intermediate volcanic, Paleozoic quartzite and limestone, reworked Tertiary sandstone and conglomerate. Clast composition varies from outcrop to outcrop. Mylonitic gneiss and chloritic breccias form 0 to 10% of the clasts. Paleozoic quartzite and limestone form 0 to 10% of the clasts. The stratigraphic sequence of the Miocene sedimentary and volcanic units is not yet known, except that the conglomerate unit overlies the sandstone unit at one location near the Silver Lining Mine.

Near the southwest corner of the claim block, a moderate to steep, northeast – trending fault is marked by a gouge zone with steeply dipping shears Tertiary volcanic rocks are present in the crush zone of this fault. The outcrop here is on strike with linear color contrast to the northeast, clearly visible on air photos that is parallel to the Harcuvar Mountain range margin and is inferred to be a high-angle fault based on this exposure.

Silver Lining Mine Mineralization

The main shaft and adit are in the upper plate, in tan and maroon Tertiary siltstone, within the conglomerate unit, located approximately 40 to 80 meters from the Bullard detachment fault. Tertiary sedimentary rocks in the mine dump contain hematite, chrysocolla, calcite and sparse manganese oxides.

Mineralization at the Southwest Shafts

The Southwest Shafts are sunk in the upper plate of the Bullard detachment fault in Tertiary conglomerate. There is sparse chrysocolla and hematite stain on mine-dump rocks. Approximately half a mile further southwest, near the southwest corner of the claim block, there is a prospect on a quartz-barite vein in locally calcareous Miocene sandstone.

3. Ester Basin Gold Project Property Description:

The Ester Basin gold property is located on approximately 100 acres of mining claims (five unpatented lode mining claims) in the Owens Mining District in southern Mohave County, Arizona. There are five unpatented lode mining claims on land administered by the Bureau of Land Management ("BLM"). "). Access is obtained over Alamo Lake Road, an all-weather unpaved road that runs south from I-40 starting at Yucca, Arizona.

Ester Basin Gold is in the Upper plate of the Buckskin – Rawhide Detachment Fault. Gold mineralization is found in silicified quartz breccia zones throughout the property, in a country rock of Precambrian gneiss. There are numerous shafts, glory holes and other historic mine workings along a 1+ mile ESE trend.

Regional Geology

The regional geological setting is a major east / west detachment fault (called the "Buckskin / Rawhide Detachment Fault"). Striking northwesterly from this detachment fault for approximately 15 miles is a high angle fault (called the "Sandtrap Wash Fault"), which may have localized mineralization associated with the major detachment fault. Mineralization is found in quartz veins and breccia zones hosted by the upper plate in close proximity to the Sandtrap Wash Fault. In most cases the upper plate country rock is Precambrian granite or gneiss. In addition, the lower plate of the detachment fault, which is located to the south of the detachment fault, hosts similar mineralization as the upper plate, which strongly suggests that there is a stacked system of detachment faults, such that the lower plate of the Buckskin Rawhide detachment fault is in turn the upper plate of another detachment fault lying further to the south.

Detachment fault deposits were first recognized as a separate form of gold deposit in the 1980's. The best example of an Arizona detachment gold deposit is probably the "Copperstone" Gold deposit, which like "Ester Basin" is in the highly extended Western Arizona terrane, as well as in the "Walker Lane" gold trend. Cyprus Gold mined the approximately 500,000 ounce "Copperstone" open pit gold resource during the 1980's, and another mining company is presently assessing the feasibility of mining the remaining underground gold resource at "Copperstone". The gold is frequently found with quartz and copper mineralization, which at the surface is often in the form of blue – green chrysocolla or green malachite. Also associated with the gold are iron oxides (including hematite), which makes magnetic anomalies potential exploration targets.

GNCC CAPITAL, INC.
(An Exploration Stage Company)

NOTES TO THE FINANCIAL STATEMENTS

Ester Basin Mineralization

At the Northwest Shaft there is barite-calcite-chrysocolla-malachite-manganese oxides-hematite mineralization and minor quartz in fractures in Precambrian granite. The fractures trend N 13 degrees E and dip 40 degrees E. Feldspars in host granite are altered to an amorphous gray clay mineral. A few hundred feet to the SW, there are manganese oxides – calcite-chrysocolla-hematite-specular hematite in another shear zone trending N 10 degrees E and dipping 20 degrees SE. Again, the host rock is Precambrian granite. About 2,000 feet south from the Northwest Shaft, there is quartz-calcite with subordinate hematite, copper oxides, manganese oxides, fluorite, and barite within a shear zone trending N 30 degrees E and dipping 55 degrees SE. The host rock is Precambrian granite in which feldspars have been altered to white clay. Hematite coats abundant fractures in granite. Nearby small quartz-calcite veins trend N 20 degrees W. Mafic minerals are also altered to oxides. A few hundred feet to the Southwest, there is quartz-calcite-chalcedonic quartz, with minor barite, in a fracture zone trending due north, dipping 50 degrees E. The host rock is locally silicified middle Tertiary basal arkose.

At the Central Shaft, which is about 2,000 feet southeast from the Northwest Shaft, there is mineralization in the absence of apparent shearing, including calcite-barite-quartz with minor copper oxides. The calcite is white and coarsely crystalline. Vugs are lined with fine-grained quartz that is coated with limonite. A fine grained dioritic dike trending N 80 degrees W and dipping 55 degrees S has been mined.

The Southeast Shaft is about 3,000 feet southeast of the Central Shaft. Mineralization includes fluorite-hematite-chrysocolla-malachite-quartz-relict pyrite (now iron oxides) in a one meter wide shear zone trending N 70 degrees W and dipping 55 degrees NE. The host rock is Precambrian granite in which feldspars have been altered to sericite and clay minerals. Hematite, copper oxides and relict sulfides are present.

Grab samples taken from these areas of mineralization had the following values:

Sample 01-07-15-002:	gold 0.185 oz /T;	silver 0.60 oz /T;	copper 1.640%
Sample 01-07-15-003:	gold 0.126 oz/T;	silver 1.10 oz/T;	copper 0.939%
Sample 01-07-15-004:	gold 0.412 oz/T;	silver 0.60 oz/T;	copper 1.940%
Sample 01-07-15-005:	gold 0.024 oz/T;	silver 0.15 oz/T;	copper 1.230%
Sample 01-07-22-001:	gold 0.013 oz/T;	silver0.15 oz/T;	copper 1.760%
Sample 01-07-22-002:	gold <0.001 oz/T;	silver 0.15 oz/T;	copper 0.015%
Sample 021-02/19/2008:	gold 0.292 oz/T;	silver <0.05 oz/T;	copper 0.696%

NOTES TO THE FINANCIAL STATEMENTS

Previous Exploration Work

The Ester Basin gold deposit was previously included in a Phelps Dodge gold project during the 1980's. Phelps Dodge did geochemistry and magnetic surveys, as well as preliminary drilling. Certain of the materials from the Phelps Dodge project are in the public domain and should prove useful in planning further exploration at Ester Basin. Based on these materials, it has been concluded that the Ester Basin Project claim block includes certain Phelps Dodge drill targets for the next drill campaign that was cancelled. The Company intends to pick up where Phelps Dodge left off and, following some preliminary geological work, resume drilling the property.

SILVER PROPERTIES:

1. Kit Carson Silver

The Kit Carson Silver Project is presently comprised of approximately 411 acres, located 2 miles southwest of Humboldt, and about 10 miles southeast of Prescott, in Yavapai County, Arizona. It is accessed from Arizona Highway 69 by Iron King Road, an unpaved all weather road running southwest from Humboldt, Arizona to the property.

The silver project includes 24 unpatented lode mining claims totaling approximately 400 acres and a 50% undivided interest in the mineral rights to the Lady Alde patented lode mining claim (approximately 11 acres). The unpatented mining claims are located on land administered by the US Bureau of Land Management (BLM).

The Project is in the Big Bug Mining District, and three of the Company's mines at this property have been mined in the past for precious and base metals: Lookout, Kit Carson and Lady Alde. The Company's property currently includes approximately 3,000 feet on the Silver Belt - McCabe Vein System, 6,000 feet on the Kit Carson Vein System and 3,000 feet on the Lady Alde Vein System.
The Lookout Silver Mine was operated as recently as 1979, but has only been worked to a depth of 200 feet. The Company intends to begin exploration by surface geochemical sampling along the three above-referenced vein systems. Any anomalies encountered would be evaluated as potential drill targets.

The Kit Carson Silver Project is located between two major past producing mines. Adjoining the northeast end of the project area is the Iron King Mine, which produced gold, silver, lead and zinc for a Phelps Dodge predecessor until the late 1960's. Adjoining the opposite (southwest) end of the Kit Carson Silver Project is the Gladstone – McCabe Gold Mine, which was last operated by Magma (later BHP) in the 1980's. A major part of the Company's rationale for acquiring Kit Carson Silver was the prospect that the rich gold and silver deposits at Iron King and Gladstone- McCabe continued onto the Company's property, which was only mined to shallow depths.

<u>Regional Geology</u>

The Kit Carson Silver Project is located in the Northern Bradshaw Mountains of Yavapai County, Arizona. There are pre-Cambrian stratified rocks, largely assigned to the Big Bug Group of the Yavapai Series that total approximately 20,000 feet in thickness. These rocks consist of volcanic, volcaniclastic, and some sedimentary rocks that have been metamorphosed to the green schist facies. Higher grade metamorphic rocks are present adjacent to the younger plutonic rocks.

The Big Bug Group is divided into three formations: (1) the Green Gulch Volcanics, which are west of the Kit Carson Silver Project area and consist of a basal dark-gray slate overlain by pillow and amygdaloidal mafic flows that contain intertounging rhyolitic rocks and mixed rhyolitic and mafic tuffaceous beds; (2) the Spud Mountain Volcanics (which underlay most of the Kit Carson Silver Project area) which constitutes the middle formation, is divided into a lower unit and an upper unit. The lower unit is dominated by bedded andesitic – rhyolitic breccia's with coarse – graded bedding suggesting subaqueous pyroclastic flows. The upper unit is dominated by bedded andesitic and rhyolitic tuffaceous sediments that intertongue with the lower part of the overlying Iron King Volcanics, the youngest formation; and (3) the Iron King Volcanics, which are east of the Kit Carson Silver Project area and are a thick sequence of pillow and amygdaloidal mafic flows containing interbeds of sedimentary rock, including ferruginous cherts and small amounts of rhyolitic flows and tuffs.

Intruded into the Big Bug Group Precambrian rocks are masses of Tertiary granodiorite, which outcrop immediately west of the Gladstone - McCabe Gold Mine, just to the west of the Kit Carson Silver Project area. Also outcropping to the west of the Lady Alde Silver Mine is gabbro of Precambrian age, which may represent sills of mafic magma injected during the accumulation of the thick sequences of mafic volcanics.

Iron King Mine

The Iron King Mine is adjacent to the northeast portion of the Kit Carson Silver Project. The Iron King deposit is in andesitic tuffaceous rocks of the upper unit of the Spud Mountain Volcanics. Iron King produced, during the period from 1907 until 1964, a total of 616,493 ounces of gold, 18,494,491 ounces of silver, 125,375 tons of lead, 367,569 tons of zinc and 9,551 tons of copper. This would amount to $2.6 Billion of production at January 2011 commodity price levels. It was operated by Shattuck Denn Corp. (a Phelps Dodge predecessor) from 1942 until 1968, the year in which the mine closed. The average grade of ore mined was 0.123 ounces of gold and 3.69 ounces of silver per ton, 2.50 percent lead, 7.34 percent zinc and 0.19 percent copper.

The Iron King Ore deposit consists of 12 veins arranged en echelon, striking N 22 degrees E and dipping 71 degrees NW. In plain view, each vein extends farther to the north than the adjacent vein to the east; the north end of the veins plunges northward. The width of the veins ranges from 1 to 14 feet, and the lengths are hundreds of feet. The veins consist of fine-grained massive sulfide containing pyrite, arsenopyrite, sphalerite, galena, chalcopyrite and tennantite, held together by a gangue of ankerite, quartz, sericite and residual chlorite. The north ends of the veins are almost exclusively quartz. All of the veins are zoned and all in a similar manner. The north end of each one consists of massive quartz having sparse pyritic disseminations and ramifying veinlets.

The quartz is commonly fine-grained, compact, gray to greenish in color, and almost chalcedonic in appearance. Locally, white bull quartz is associated as irregular patches or as vein like masses cutting the finer-grained type. The quartz has a sharp contact with the massive sulphide. This contact trends obliquely across the vein in a northerly direction and is more nearly vertical than the vein in cross section. In places the quartz contains sufficient gold and silver to be ore, and it may have a slight concentration of more granular galena near the contact with massive sulphides.

South of the quartz the veins are massive sulphide in which sphalerite and galena are the dominant ore minerals. The highest content of sphalerite plus galena commonly occurs some distance south of the quartz zone. Closely spaced assays show that in each of several veins the zone of higher lead and zinc content begins as a narrow stringer on the footwall of the vein and gradually migrates northward to the hanging wall, duplicating the pattern of the transition to the quartz masses at the north ends of the veins. In general, from the quartz southward the content of galena and sphalerite increases gradually to a maximum and then decreases gradually farther toward the south. There is a complimentary increase in pyrite content toward the south as the lead and zinc content decreases. The pyrite at the south end of the veins is more granular and commonly has a characteristic cubic form. Farther south, the massive sulphide character of the veins grades into zones of quartz-pyrite stringers separated by thin schist partings containing granular, disseminated pyrite.

There are no major changes of the veins in depth. The zoning is similar in each vein on all levels, and the mineralogical and structural character of the veins is about the same on the upper and lower levels. However, the lead - zinc content of several of the more easterly veins diminishes on the 700 and 800 levels, but may increase with greater depth as in several of the other veins.

Workings included 2 shafts 750 feet apart at 435 feet and 225 feet deep, respectively; later, 7 shafts. Shafts 6 and 7 were hoisting shafts. The earlier shafts were used for ventilation (Nos. 1 & 5), emergency exits (No. 2) or were caved (Nos. 3 & 4). The No. 6 shaft is a two-compartment shaft which extends below the 1200 level and was the primary working shaft. There were eleven levels, extending to about 1,140 feet below the collar of the shaft. The overall mining operation was some 2,600 feet deep vertically.

The Iron King Mine and the nearby Humboldt Smelter are currently included in a Superfund environmental cleanup site. None of the Company's Kit Carson Silver Project area is included in the Superfund Site.

Mineral Deposits of Late Cretaceous or Early Tertiary Age

The mineral deposits of Late Cretaceous or early Tertiary age are largely gold – silver veins that are clustered about the granodiorite stocks of the same age that are exposed west of the Kit Carson Silver Project area. These are typical fissure veins, straight and narrow with well – defined walls. Quartz is the dominant gangue mineral, and it shows drusy and comb structures. Ankerite occurs in many veins, and barite is common where silver is the important precious metal; they include arsenopyrite, pyrite, sphalerite, galena, chalcopyrite, tetrahedrite and ruby silver.

The Mines of the Silver Belt – McCabe Vein

The Silver Belt – McCabe Vein runs for over two miles from immediately west of the Iron King Mine southwest to the Gladstone-McCabe Mine. In fact, The Silver Belt-McCabe vein has been traced as a continuous zone for about 14,000 feet (4.2 km) from a point about 1,500 feet WNW of the Iron King Mine southwestward. The strike ranges from N.65ºE. In the southern sector to N.30ºE. In the northern sector; the dip ranges from 70ºNW. to 80ºSE; and the width ranges from 6 to 15 feet. The Kit Carson Silver Project includes approximately 3,000 feet of this vein system between the Iron King Mine and the Silver Belt Mine. An additional 3,000 feet on this vein between the Arizona National Mine and the Gladstone – McCabe Mine are also included in the Company's land package. The Company's total footage on this vein is approximately 6,000 feet.

The vein is almost entirely within the breccia facies of the Spud Mountain volcanics. Chlorite and probably some sericite, lying withe their basal sections essentially parallel to the strike of the vein, characterize the fissile, sheared zone comprising the vein; whereas the wall rocks, especially those on the hanging wall (west side), are foliated but not fissile, and are characterized by actinolitic hornblende

The Silver Belt - McCabe vein system has been described by several authors. Silver and lead characterized the Silver Belt deposit on the northeasterly portion of the vein. In the Arizona National Mine, next to the southwest from Silver Belt, the content of lead and silver was lower than that in the Silver Belt, and the ore contained zinc and iron, chiefly as sphalerite and pyrite. In the Company's Lookout Mine, next to the southwest from Arizona National, the ore was complex and contained silver, gold, lead, zinc, iron and copper. The Gladstone – McCabe mine at the south end of the vein also contained complex sulfide ore; the content of iron, copper and gold was higher than in the Lookout Mine, but the content of silver and lead was lower.

Historic production from the Silver Belt mine is reported to have a value of $330,000 and, from the Arizona National, $300,000. This was during the era when the gold price was $20 per ounce, so at a 2011 gold market price of $1,400 per ounce, these production figures would be approximately $23,000,000 and $21,000,000, respectively.

The Gladstone – McCabe Mine produced gold, silver, copper, lead and zinc having a value of about $3,000,000 during this same historic period (or approximately $210,000,000 at 2011 commodities prices). The average grade was 1.5 ounces gold and 10 ounces silver per ton, 2 percent copper, 2.1 percent lead and 4.7 percent zinc.

The age of formation of the Silver Belt – McCabe vein has not been definitely determined. It is generally considered to be Late Cretaceous or Early Tertiary based on radiometric dating of the granodiorite stock to the west of the project area.

Gladstone - McCabe Mine

The Gladstone – McCabe Mine adjoins the Kit Carson Silver Project to the southwest. It was discovered in 1866 and mining started in the early 1870's. The mine was reopened in 1898 and operated by the Ideal Leasing Co. until closed in 1913. The mine was reopened and ultimately closed in 1922. Thereafter the mine was reopened and un-watered in early 1934 by H. Fields & Associates and closed again in 1937. The most recent mining was by Stan West and Magma (now BHP) in 1988-1989.

Mineralization is a vein deposit with a tabular ore body hosted in the Spud Mountain Volcanics. The vein is in amphibolitic schist intruded by dikes of rhyolite porphyry and a distance farther SW, by a stock of quartz diorite. The vein averages 3½ feet wide with 5 ore shoots, each 200 to 500 feet long. Ore control was faulting and shearing. Ore concentration was oxidation and enrichment at near surface. No alteration was noted.

The vein is a series of lenses which are characterized by band and ribbon structure, the metallic contents being largely confined to the center of the vein. Open vugs lined with large crystals of quartz and arsenopyrite are common. Arsenopyrite with pyrite and chalcopyrite carry the values, which are largely gold with some silver. Galena is sparingly present.

Between the 2 shafts, a 20 foot wide dike of rhyolite porphyry intersects the schist with a northerly strike. The vein strikes N.54ºE. & dips 79ºSE. The ore contains quartz that is distinctly banded with sulfides in the center. Area structures include veins parallel to foliation in Precambrian rocks for the most part, which trends N25E.

Workings include the McCabe shaft (900 feet deep) and the Gladstone shaft (1,100 feet deep), 800 feet apart, plus several miles of workings.

The Kit Carson Silver Mine and Vein

The Company's Kit Carson Silver Mine is a silver – gold – copper - lead mine on the Kit Carson vein, which is located about 1,500 feet west of the Silver Belt-McCabe vein. The mineral deposit was discovered in 1897 and was mined from 1907 until 1926.

The Kit Carson vein strikes parallel to the Silver Belt-McCabe vein, but has an opposite dip to the east and is hosted in the Lower Unit of the Spud Mountain Volcanics. The Kit Carson vein was traced on the surface for about 4,000 feet, but is somewhat longer, for its northern extent is overlain by the gravel of the Hickey formation in Lonesome Valley. The vein has not been adequately explored. It appears to resemble the Silver Belt-McCabe vein in structure, alteration, and character of the mineralized zone.

The vein consists of a sheared zone as much as 5 feet wide, characterized by fissile, sericitic rock in which local stringers of comb quartz and box work, possibly after ankerite, were observed. Mineralization is a 2 to 4 foot wide vein with well-defined wall rock. Ore control was faulting and shearing. Ore concentration was oxidation at near surface. Alteration was minor silicification. The Kit Carson vein is west of the Silver Belt-McCabe vein and dips N.30ºE. And dips steeply SE. Area structures include veins that parallel regional foliation, which trends N30E.

Workings include 8 shafts and prospect pits.

The Lady Alde Vein

Commencing on the patented Lady Alde lode mining claim and running to the northeast, roughly parallel to the Kit Carson Vein System is the Lady Alde mineralized area, which includes several mine shafts and prospect pits in the vicinity of the contact between northeast striking masses of Precambrian gabbro and the lower unit of the Spud Mountain Volcanics.

2. "Silverfield" Silver Properties.

The Silverfield Project is comprised of 80 acres of mining claims (4 unpatented lode claims) in the Owens Mining District in southern Mohave County, Arizona, immediately north of the Bill Williams River. The mine produced silver in both the 1940's and the 1960's, primarily from workings at Big Hill and North Star Hill, where an unmined silver resource has been reported to remain. There are shafts, adits and open cuts on the property.

There is also gold potential. Anschutz Mining did a preliminary drill campaign in the 1980's, following up on high grade surface exposures of over 1 ounce per ton gold. The Company has acquired the Anschutz drill logs and assay reports, which include encouraging intervals.

The regional geological setting includes a number of detachment faults which are associated with mineralization in both the upper and lower plates. At Silverfield, there is replacement silver and copper mineralization of upper plate quartzite and silicified limestone. In addition, there is hot springs type precious metal mineralization associated with sinter. There is widespread alteration including associated barite deposits. Sampling by the State of Arizona also reportedly found a vanadium occurrence on the property.

Initial exploration by the Company will focus on the reported silver resource, as well as compilation of the results from past exploration by Anschutz Mining.

3. "Potts Mountain" Silver Properties

The Potts Mountain property consists of 40 acres of mining claims (two unpatented lode mining claims) in the Owens Mining District in southern Mohave County, Arizona. It is immediately north of the Company's Ester Basin Gold property.

Potts Mountain has been described as a diatreme that was intruded into Precambrian gneiss of the upper plate of the Buckskin – Rawhide Detachment Fault. The mountain is ringed with mineral occurrences. Additionally, reconnaissance has revealed what appears to be a rhyolitic dome in the southern foothills of Potts Mountain, as well as possible barite mineralization.

The Potts Mountain Project includes the Lead Pill Silver Mine, which produced silver and lead, as well as the Red Top Gold Mine, which was an historic producer of gold and copper.

Lead Pill Silver Mine

Mineralization at the Lead Pill Silver Mine and nearby adits includes blue-green and purple, 0.5 – 2 cm, subhedral to euhedral fluorite with subordinate manganese oxides filling fractures and open spaces. Hematite staining and sparse calcite are the youngest minerals, with minor copper oxides. The host rock is moderately to highly fractures, Precambrian, medium – grained biotite granite with sparse 3 – 4 cm potassium-feldspar megacrysts. Chloritic alteration of granite is moderate to strong.

Red Top Gold Mine

At the Red Top Mine, there are quartz-fluorite-manganese oxides-copper oxides-barite along shear zones in a silicic, quartz-bearing, hypabyssal intrusive or a thick ash-flow tuff of middle to upper Tertiary age. In order of decreasing abundance, manganese, fluorine, copper and barium characterize the mineralization. A major mineralized shear zone at the Red Top Mine trends N 60 degrees W and dips 5 degrees NE. Quartz-barite-calcite veins and open space fillings are present in brecciated silicic volcanic or hypabyssal rocks within 200 meters of the Red Top Mine.

Glossary of Mining Terms:

Adit – A horizontal passage from the surface into a mine. It is commonly called a tunnel, though in strict usage a tunnel is open at both ends.

Alteration – Changes in the chemical or mineralogical composition of a rock, generally produced by weathering or hydrothermal solutions.

Andesite – A dark-colored, fine-grained extrusive rock.

Anomaly - A geological feature, especially in the subsurface, distinguished by geological, geochemical or geophysical means, which is different from the general surroundings and is often of potential economic value, e.g. a magnetic anomaly.

Calcite – A common rock-forming mineral, $CaCO3$ (calcium carbonate). Commonly white or gray, calcite is the chief constituent of limestone and most marble.

Chrysacolla – An oxidized copper mineral, it usually occurs as green to blue-green incrustations and thin seams in the oxidized zones of copper-sulfide deposits.

Clastic – Pertaining to rock or sediment composed principally of fragments derived from pre-existing rocks or minerals and transported some distance from their place of origin.

Conglomerate – A course-grained clastic sedimentary rock, composed of rounded to subangular fragments larger than 2mm in diameter (granules, pebbles, cobbles, boulders) set in a fine-grained matrix of sand or silt, and commonly cemented by calcium carbonate, iron oxide, silica or hardened clay; the consolidated equivalent of gravel.

Detachment fault – A near – horizontal fault of great displacement, frequently over 10 miles, caused by regional extension of the affected terranes. Heat generated by the process of detachment faulting may result in hydrothermal alteration of the upper plate, the lower plate, or both, and the consequent deposition of minerals such as gold, silver, copper, lead, zinc or manganese.

Dump – An area adjacent to a shaft, adit or other mine working where mined material has been stored or dumped.

Extrusive – Said of igneous rock that has been erupted onto the surface of the earth. Extrusive rocks include lava flows and pyroclastic material such as volcanic ash.

Fault – A fracture or fracture zone along which there has been displacement of the sides relative to one another.

Foliated – A rock that has been subject to foliation, which is a planar arrangement of textural or structural features in any type of rock, especially the planar structure that results from flattening of the constituent grains of a metamorphic rock.

Geochemical exploration – The search for economic mineral deposits by detection of abnormal concentrations in surficial materials or organisms, usually by techniques that may be applied in the field.

Geophysical exploration – The use of geophysical techniques – electric, gravity, magnetic, seismic or thermal – in a search for economically valuable mineral deposits.

Gneiss – A foliated rock formed by regional metamorphism, often of granitic rocks, in which bands of granular materials alternate with bands of minerals with flaky or prismatic habit.

Gravel – An unconsolidated natural accumulation of rounded rock fragments, mostly of particles larger than sand.

Hanging wall – The overlying side of an ore body, fault, or mine workings; especially the wall rock above an inclined vein or fault.

Hematite – A common iron mineral, it is the principal ore of iron.

Hydrothermal alteration – Alteration of rocks and minerals by the reaction of hot water or steam with pre-existing solid rock.

Igneous – Said of a rock or mineral that solidified from molten or partly molten material such as magma.

Magnetic survey – A technique of applied geophysics: a survey is made with a magnetometer, on the ground or in the air, which yields local variations, or anomalies, in magnetic-field intensity. These anomalies are interpreted as to depth, size, shape, and magnetization of geologic features causing them.

Metamorphic rock – Any rock derived from pre-existing rocks by mineralogical, chemical, and / or structural changes, essentially in the solid state, in response to marked changes in temperature, pressure, shearing stress, and chemical environment, generally at depth in the earth's crust.

Mining District – A geographic area in which a number of mines are located. During the early days of the American West before effective local governments were established, the mining district enacted rules and enforced them.

Mylonitic **–** Descriptive of a rock that has been subject to mylonitization, which is deformation by extreme microbrecciation, due to mechanical forces applied in a definite direction, without noteworthy chemical reconstitution of granulated minerals.

Pediment – A broad gently sloping erosion surface or plain of low relief, typically developed by running water, in an arid or semi-arid region at the base of an abrupt and receding mountain front; it is underlain by bedrock that may be bare but is more often mantled with a thin discontinuous veneer of alluvium derived from the upland masses and in transit across the surface.

Precambrian – All geologic time, and its corresponding rocks, before the beginning of the Paleozoic age approximately 570 million years ago.

Regional metamorphism – A general term for metamorphism that extends continuously throughout an extensive region, as opposed to local metamorphism.

Sedimentary rock – A layered rock resulting from the deposition of sediment, usually formed under water, e.g. a clastic rock such as sandstone, a chemical rock such as rock salt, or an organic rock such as coal.

Shaft – A vertical or near – vertical mine working through which access is gained to levels of mine workings below the surface.

Silicified – A rock that has been affected by silicification, which is the introduction of, or replacement by, silica, especially in the form of fine-grained quartz, which mat fill pores and replace existing minerals.

Tertiary **–** The era of time beginning about 65 million years ago up to 2 million years before the present, and the corresponding system of rocks.

Unpatented mining claim – In the United States of America, a claim to mineral rights on Federal lands open to mineral entry, obtained by staking and recordation with the County Recorder and the United States Bureau of Land Management (BLM).

Business Plan Risks

The Company's business plan is prone to significant risks and uncertainties which could have an immediate impact on its efforts to generate a positive net cash flow and could deter the anticipated exploration and development of its mining interests. Historically, the Company has not generated sufficient cash flow to sustain operations and has had to rely on debt or equity financing to remain in business. Therefore, we cannot offer future expectations that any interests owned by the Company will be commercially developed or that its operations will be sufficient to generate the revenue required. Should we be unable to generate cash flow, the Company may be forced to seek additional debt or equity financing as alternatives to the cessation of operations. The success of such measures can in no way be assured. Inherently, in the exploration of mineral properties, there are substantial risks which the Company may not be able to mitigate and could result in a cessation of operations.

NOTE 18. SUBSEQUENT EVENTS

The Company evaluated all events or transactions that occurred after September 30, 2011 up through date the Company issued these financial statements. During this period, the Company had the following material recognizable subsequent events.

On December 1, 2011, certain of the Company's Stockholders' entered into Stock Trading & Disposal Restriction Agreements with the Company, accounting for an amount of 145,718,220 shares of the Company's Common Stock, representing 71.74% of the Company's outstanding shares of Common Stock; on the following conditions:

- These shares of the Corporation's Common Stock shall not be available to be assigned, pledged, sold, lent or in any way alienated for a period of 2 (two) years commencing from the date of their issue. These shares are restricted under Regulation 144 and shall be held "on book" by the Transfer Agent to the Corporation; for an on behalf of the Stockholder. The Stockholder shall not be permitted to request these shares of the Corporation's Common Stock, in certificated form, until the expiration of the 2 (two) years from the date of their issue to the Stockholder. Thereafter they are permitted to dispose no more than 5% (Five percent) of their shares of the Company's Common Stock every 3 (Three) months thereafter.

NOTE 18. SUBSEQUENT EVENTS (CONTINUED)

On December 1, 2011, all of the holders of Convertible Loan Notes issued by the Company, in the amount of $16,784,000, consented to the extension of the due dates of their Notes for an additional 3 (three) years from the due date.

NOTE 19: DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Promoters

The Company has no promoters, as that term is defined in the rules and regulations promulgated under the Securities and Exchange Act of 1933.

Directors

Directors are elected to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. Officers are appointed to serve until the meeting of the board of directors following the next annual meeting of stockholders and until their successors have been elected and qualified.

Mr. Lowenthal currently devotes approximately 20% of his time to company matters. He will devote as much time as the board of directors deems necessary to manage the affairs of the company

The board of directors has no nominating, auditing or compensation committees.

The name, age and position of our present officers and directors are set forth below:

RONALD YADIN LOWENTHAL (64)

Mr. Lowenthal is a specialist in Corporate Finance, in the structuring of IPO's and in fund raising for Mining Exploration Companies. From 1999, Mr. Lowenthal was a founding director of Incentive Holdings Ltd. and Incentive Securities Limited a South African based Financial Services Group. From 1982 to 1999, Mr. Lowenthal served as a financial consultant and as the compliance officer to family owned, Lowenthal & Co, a South African based Stock Broking, Corporate Finance and Fund Management company specializing in obtaining mining concessions for exploration, and obtaining and assisting a significant number of Mining and other companies with their obtaining quotations on the Johannesburg Stock Exchange. In 1971, Mr. Lowenthal earned a Masters of Business Administration degree from the Wharton Graduate Division, University of Pennsylvania, USA and in 1969 earned a Bachelor of Arts (Hons) degree in International Relations from the University of Sussex, England.

From 1972 to 1979, Mr. Lowenthal served as an International Merchant Banker with Scandinavian Bank in both London and in Singapore, Amex Bank in both London and in Hong Kong, Rothschild Intercontinental Bank in both London and in Hong Kong and with European and American Bank in New York. From 1979 to 1981, Mr. Lowenthal was involved in Diamond Mining and in Diamond Trading on an International basis.

Mr. Lowenthal's experience in mining goes back to the early 1970's, when he was working in Sierra Leone, Guinea and Burkina Faso and obtained mining concessions in gold and diamonds in these countries. Mr. Lowenthal resumed his interest in West Africa in 2006, when he was requested by an international mining company to obtain a uranium concession. As a result of this activity, Mr. Lowenthal established an office in Dakar, Senegal and Nouakchott, Mauritania and has actively pursued concessions in Senegal, Mauritania and Guinea. These activities extend from gold to iron ore, chrome and uranium. The Lowenthal family has been involved in mining activity in South Africa, Guinea, Senegal, Mauritania, over many years and, when Mr. Lowenthal returned from Asia to South Africa in 1982 when his family and others gained control of Johannesburg Mining Finance Limited, which became Consolidated Mining Corporation. This group specialized in gold and diamonds.

Mr. Lowenthal is presently an officer or director of Kansala Resources SA, Senegal, Sanko Lowenthal, Mauritanie SARL, Sloane Investments, Inc., Chataprop Holdings 86 (Pty) Limited, IHL Nominees (Pty) Limited, Incentive Securities (Pty) Limited, ASPA Gold Corp. and North American Gold & Minerals Fund. He was previously an officer or director of Faso Mining SA, Consolidated Mining Corporation Limited, West Witwatersrand Gold Holding Limited, Carrig Diamonds Limited, Hanover Capital Group plc, Anglo Dutch Life Limited, Africa Resources Investments Limited, Catwalk Investments 398 (Pty) Limited, Hanover Research (Pty) Limited, Incentive Asset Management (Pty) Limited, Incentive Asset Traders, Incentive Corporate Finance (Pty) Limited, Incentive Holdings Limited, Rhizoid Timeline Formula Limited, Saga Lowenthal Commodities (Pty) Limited, Benoni Gold Holdings Limited, Bonte Koe Mynbou Ondernemings (Pty) Limited, Rex Mining Corporation Limited, Southern Fissures Limited, Wolfberg Mynbou (Pty) Limited, Carbon Leader Limited, Loxton Exploration (Pty) Limited, Dukes Court Shareblock Limited, Edgtech Holdings (Pty) Limited, Master Computer Bureau (Pty) Limited, Moorpark Shareblock Limited, Pick Distribution Company (Pty) Limited, Pick Square (Pty) Limited, Pick Technologies (Pty) Limited and Mesklip Prospecting (Pty) Limited.

During the past ten years, Mr. Lowenthal **has not** been the subject of the following events:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2. Convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. The subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities; associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or

ii) Engaging in any type of business practice; or

iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

4. The subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph 3.i in the preceding paragraph or to be associated with persons engaged in any such activity;

5. Was not found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

6. Was not found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

7. Was not the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

i) Any Federal or State securities or commodities law or regulation; or

ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or

iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. Was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Mr. Nicolaas Edward "Ted" Blom (54)

Mr Blom has over 25 years of experience in mining and energy, with expertise in structured finance, commercial and legal transactions and business development. He holds Bachelors of Commerce and Bachelors of Jurisprudence degrees from the University of Port Elizabeth (n/k/a Nelson Mandela Metropolitan University), a Masters of Business Administration degree from Witwatersrand University, Johannesburg, and Republic of South Africa and is a Chartered Secretary of the Institute of Chartered Secretaries and Administrators, London. Mr Blom also completed the Harvard Business School Program for Management Development and a Diploma in Mineral Economics from Imperial College, London. Mr Blom is a member of the Association of Mining Analysts in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS

Mr. Blom's business experience includes strategic advisor and consultant to global hedge funds and private equity funds on investments in energy and mineral plays. His testimony at the relevant national regulator as an expert independent Expert in mining and energy resulted in numerous television, radio and press interviews. Mr Blom is currently mandated to execute capital-raising, structuring and implementation of projects in Africa exceeding $20 billion. Mr Blom has consulted and explored projects and proposals involving most minerals found on the African Continent, including Gold, Nickel, Silver, Platinum, Manganese, Aluminium, Coal, Graphite, Diamonds, Titanium and Chromium. He has also been involved with assessments of industrial minerals.

In recent years, Mr Blom assessed that Southern Africa would require more than 20 new coal mining projects in order to avoid another energy Blackout in the region. This number has since been confirmed by the regulators, with little progress. Mr Blom also conducted initial feasibilities on Coal - Bed Methane (CBM) and Underground Coal Gasification (UCG) projects on a large scale to complement the current energy mix in Sothern Africa. This has the potential to generate an additional 20GW of electricity within a 24-30 month horizon, provided legislators approve. As a strategic advisor to Eskom, Mr Blom identified and highlighted significant opportunities for savings in capital expenditures in the billions of dollars. He has conducted numerous successful global transactions as a strategic advisor to a South African merchant bank, capital raising for a new technology project in the commodities coal sector, and capital raising for mining and energy projects including Black Wattle Colliery, and a major new Platinum & Palladium project in Africa. In addition Mr Blom often facilitates commercial transactions between Commodity buyers and sellers.

Mr. Blom was a co-founder of Kwezi Mining Company, a junior coal mining company which subsequently became Rio Tinto's development arm for major transactions in Southern Africa. Mr Blom served on the Board of Directors of Kwezi Coal Ltd., as well as Kwezi Mining Ltd. Mr Blom was also an independent advisor to Eurocoal, another junior coal miner. While at Eurocoal, Mr Blom was instrumental in doubling pre-tax profits, with a resulting significant increase in market value. Previously, Mr Blom conducted and participated in numerous global proposals, evaluations and exercises, including capital raising material and strategic communications to transform and propel General Mining Ltd into the world's largest listed mining house, BHPBilliton.

He also initiated, strategized and implemented a contractual clean-up which released millions of dollars to facilitate the turnaround of Tran-Natal Coal Corporation from loss making to a profitable division of General Mining Ltd.

Mr Blom has been awarded numerous bursaries and awards for excellence that paved the way to continuing education, the most recent being an Eskom Award & Prize in 2008. He was appointed Judge for Africa Energy Awards 2009 and Chairman for African Mining Congress 2010. Mr Blom has been invited to Judge the Africa Energy Awards in 2012. In his spare time Mr Blom lectures globally on the accelerated "MBA in Mining" series and has been booked for 19 lectures all over the Globe for 2012.

Mr. Blom is presently an officer and non-executive director of ASPA Gold Corp. In the past 10 years, he was the CEO of Kwezi Coal Ltd and of Kwezi Mining Ltd; and was the acting Financial Director of GAB Robins (SA) Ltd. All of Mr. Blom's other directorships are in privately held companies.

During the past ten years, Mr. Blom **has not** been the subject of the following events:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2. Convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. The subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities; associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

iii) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or

iv) Engaging in any type of business practice; or

iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

4. The subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph 3.i in the preceding paragraph or to be associated with persons engaged in any such activity;

5. Was not found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

6. Was not found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

7. Was not the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

iv) Any Federal or State securities or commodities law or regulation; or

v) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or

vi) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. Was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Stock Option Plans, Retirement, Pension and Profit Sharing

There are no other stock option plans, retirement, pension, or profit sharing plans for the benefit of our officers and directors other than as described herein.

Long-Term Incentive Plan Awards

The Company does not have any long-term incentive plans that provide compensation intended to serve as incentive for performance.

Option/SAR Grants

There are no stock option, retirement, pension, or profit sharing plans for the benefit of our officers and directors.

NOTES TO THE FINANCIAL STATEMENTS

Indemnification

Under our Articles of Incorporation and Bylaws of the corporation, we may indemnify an officer or director who is made a party to any proceeding, including a law suit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. We may advance expenses incurred in defending a proceeding. To the extent that the officer or director is successful on the merits in a proceeding as to which he is to be indemnified, we must indemnify him against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Delaware. Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Delaware law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

Conflicts of Interest

Although Mr. Lowenthal and Mr. Blom work with other mineral exploration companies other than ours. We do not have any written procedures in place to address conflicts of interest that may arise between our business and the future business activities of Mr. Lowenthal and Mr. Blom.

Committees of the Board of Directors

We do not presently have a separately constituted audit committee, compensation committee, nominating committee, executive committee or any other committees of our board of directors. As such, Mr. Lowenthal Mr. Blom act in those capacities as our directors.

Audit Committee Financial Expert

Mr. Lowenthal and Mr. Blom are our sole directors and do not qualify as an "audit committee financial expert." We believe that the cost related to retaining such a financial expert at this time is prohibitive. Further, because we are in the start-up stage of our business operations, we believe that the services of an audit committee financial expert are not warranted at this time.

Role and Responsibilities of the Board of Directors

The Board of Directors oversees the conduct and supervises the management of our business and affairs pursuant to the powers vested in it by and in accordance with the requirements of the Statutes of Delaware. The Board of Directors holds regular meetings to consider particular issues or conduct specific reviews whenever deemed appropriate.

The Board of Directors considers good corporate governance to be important to the effective operations of the Company. Our directors are elected at the annual meeting of the stockholders and serve until their successors are elected or appointed. Officers are appointed by the Board of Directors and serve at the discretion of the Board of Directors or until their earlier resignation or removal.

NOTE 20: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of December 12, 2011, the total number of shares of common stock owned beneficially by each of our directors, officers and key employees, individually and as a group, and the present owners of 5% or more of our total outstanding shares. The stockholders listed below have direct ownership of his/her shares and possess sole voting and dispositive power with respect to the shares.

Stockholder Name	Number of Shares	Percentage of Outstanding Common Stock
Searchlight Exploration, LLC	10,511,000	5.17%
Stelan Real Estate Management, Inc.	14,252,000	7.02%
Highwave Management Corp.	11,192,480	5.51% * Subject to Stock Trading & Disposal Restriction Agreement
Streetside Holdings AG	12,591,540	6.20% * Subject to Stock Trading & Disposal Restriction Agreement
Insight Holdings, S.A.	12,591,540	6.20% * Subject to Stock Trading & Disposal Restriction Agreement

NOTES TO THE FINANCIAL STATEMENTS

Stockholder Name	Number of Shares	Percentage of Outstanding Common Stock
Emerald International Corporation	11,192,480	5.51% * Subject to Stock Trading & Disposal Restriction Agreement
Saffron Ventures GmbH	12,591,540	6.20% * Subject to Stock Trading & Disposal Restriction Agreement
Liberty Investment Services Ltd.	12,591,540	6.20% * Subject to Stock Trading & Disposal Restriction Agreement
Macy Ocean Enterprises, Inc.	11,192,480	5.51% * Subject to Stock Trading & Disposal Restriction Agreement
Neutral Bay Investments, S.A.	12,591,540	6.20% * Subject to Stock Trading & Disposal Restriction Agreement
Diamond Peak Resource Corporation	12,591,540	6.20% * Subject to Stock Trading & Disposal Restriction Agreement
Western Treasure Holdings Corp.	12,591,540	6.20% * Subject to Stock Trading & Disposal Restriction Agreement
Ronald Y Lowenthal	12,000,000	5.91% ** Subject to Stock Trading & Disposal Restriction Agreement and is an Officer and Insider.
Nicolaas Edward Blom	12,000,000	5.91% ** Subject to Stock Trading & Disposal Restriction Agreement and is an Officer and Insider.

***STOCK TRADING & DISPOSAL RESTRICTION AGREEMENTS:**

These stockholders have entered into extensive stock trading restriction and disposal agreements with GNCC Capital, Inc. on the following terms and conditions:

These shares of the Corporation's Common Stock shall not be available to be assigned, pledged, sold, lent or in any way alienated for a period of 2 (two) years commencing from the date of their issue. These shares are restricted under Regulation 144 and shall be held "on book" by the Transfer Agent to the Corporation; for an on behalf of the Stockholder. The Stockholder shall not be permitted to request these shares of the Corporation's Common Stock, in certificated form, until the expiration of the 2 (two) years from the date of their issue to the Stockholder. Thereafter they are permitted to dispose no more than 5% (Five percent) of their shares of the Company's Common Stock every 3 (Three) months thereafter.

These Stock Trading & Disposal Restriction Agreements (on the terms and conditions outlined above) account for an amount of 145,718,220 shares of the Company's Common Stock, representing 71.74% of the Company's outstanding shares of Common Stock.

NOTE 21. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our principal executive officer and the principal financial officer (our president), we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded as of the evaluation date that our disclosure controls and procedures were effective such that the material information required to be included in any future Securities and Exchange Commission reports is accumulated and communicated to our management, including our principal executive and financial officer, recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms relating to our company, particularly during the period when this report was being prepared.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, for the company. Internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; and

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of its management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Management recognizes that there are inherent limitations in the effectiveness of any system of internal control, and accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect material misstatements. In addition, effective internal control at a point in time may become ineffective in future periods because of changes in conditions or due to deterioration in the degree of compliance with our established policies and procedures. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in there being a more than remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Under the supervision and with the participation of our president, management conducted an evaluation of the effectiveness of our internal control over financial reporting, as of September 30, 2010, based on the framework set forth in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under this framework, management concluded that our internal control over financial reporting was not effective as of the evaluation date due to the factors stated below.

Management assessed the effectiveness of the Company's internal control over financial reporting as of evaluation date and identified the following material weaknesses:

INSUFFICIENT RESOURCES:

We have an inadequate number of personnel with requisite expertise in the key functional areas of finance and accounting.

INADEQUATE SEGREGATION OF DUTIES:

We have an inadequate number of personnel to properly implement control procedures.

LACK OF AUDIT COMMITTEE & OUTSIDE DIRECTORS ON THE COMPANY'S BOARD OF DIRECTORS:

We do not have a functioning audit committee or outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures. Management is committed to improving its internal controls and will

(1) continue to use third party specialists to address shortfalls in staffing and to assist the Company with accounting and finance responsibilities; and

(2) increase the frequency of independent reconciliations of significant accounts which will mitigate the lack of segregation of duties until there are sufficient personnel; and

(3) may consider appointing outside directors and audit committee members in the future.

Management, including our president, will discuss the material weakness noted above with our independent registered public accounting firm upon their appointment. Due to the nature of this material weakness, there is a more than remote likelihood that misstatements which could be material to the annual or interim financial statements could occur that would not be prevented or detected.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting that occurred during the last fiscal year ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

MANAGEMENT CERTIFICATION
Pursuant to 18 U.S.C. 1350
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Ronald Yadin Lowenthal, certify that:

1. I have reviewed these unaudited Financial Statements for the twelve months ended September 30, 2011 for GNCC CAPITAL, INC.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Ronald Yadin Lowenthal

Ronald Yadin Lowenthal

EXECUTIVE CHAIRMAN

DATE: DECEMBER 12, 2011