



January 28, 2018

Dear Shareholders,

This past week has seen a lot of activity with the new management team focusing on implementing a go forward strategy in rebuilding the company. The primary objectives are moving forward on closing funding, cleaning up all outstanding issues with OTC Markets and closing out all disputes including paying all settlements in full. We have made significant progress on these fronts and expect to have updates shortly on all of them.

One of the most frequent questions that we have received this past week is about how the company plans to implement a share buyback strategy. To that end, we will explain in this letter how this is accomplished. Share buybacks are covered under the Securities and Exchange Commission's (SEC) Rule 10b-18. The rule allows a company's Board of Directors to authorize the repurchase of a certain amount of shares based on the following four rules. We must purchase all shares from a single broker or deal during a single day. Because we have an average trading volume less than \$1 million per day and a public float value below \$150 million we are unable to trade within the last 30 minutes of trading. We must repurchase at a price that does not exceed the highest independent bid or the last transaction price quoted. We can't purchase more than 25% of the average daily volume. In addition to the above trading rules, we must provide a detailed disclosure for repurchases in our Quarterly & Annual reports with a table showing, on a month-by-month basis: the total number of shares purchased, the average price paid per share, the total number of shares purchased under publicly announced repurchase programs, and the maximum number of shares that may be repurchased under these programs (or maximum dollar amount if the limit is stated in those terms).



The plan to buyback shares will not be implemented this quarter as it is dependent on the use of profits. Once we have implemented some of the programs outlined from last weeks summary of the annual Shareholder's meeting and plans for the management team, we will implement this program.

We look forward to your continued feedback and welcome any questions or comments.