

GAINEY CAPITAL CORP.
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NEWS RELEASE

Gainey Capital Corp. Announces Agreement for Qualifying Transaction

October 21, 2011 – Vancouver, BC. Gainey Capital Corp. (the “Company”) is pleased to announce that it has entered into a letter of intent dated October 21, 2011 (the “LOI”) with Golden Anvil S.A. de C.V., a Mexican incorporated entity (“Golden Anvil”). Under the terms of the LOI, the Company has agreed to acquire from Golden Anvil, directly or indirectly, certain assets (the “Assets”) comprising of certain mineral concessions located in the western portion of the Sierra Madre occidental mountain range in Mexico (the “El Colomo Concessions”), a concentration plant located in Huajicori, Nayarit, and other associated assets and equipment, including a tailing reservoir, a mine site housing camp and a mine site industrial facility.

It is intended that the acquisition of the Assets (the “Acquisition”) will be the Company’s Qualifying Transaction in accordance with the policies of the TSX Venture Exchange (the “Exchange”). The Transaction is not a “Non-Arm’s Length Qualifying Transaction”. Accordingly, it is anticipated the approval of the shareholders of the Company will not be required. Upon completion of the Transaction, it is expected that the Company will be a Tier 2 mining issuer.

SUMMARY OF THE ACQUISITION

As consideration for the acquisition of Assets, the Company has agreed to pay Golden Anvil aggregate consideration as follows:

- (a) the issue of 12,000,000 previously unissued common shares in the capital of the Company (the “Shares”) to Golden Anvil, which shall be issued on the day of the completion of the Acquisition (the “Closing Date”); and
- (b) the issue of a special warrant of the Company (the “Special Warrant”) to Golden Anvil or its nominee, which shall be issued effective as of the Closing Date. The Special Warrant will be convertible, for no additional consideration, from time to time, subject to an aggregate maximum of 3,000,000 common shares, into that number of common shares equal to the number of ounces of gold or gold equivalent, categorized as “proven mineral reserves” (as such terms are defined by the Canadian Institute of Mining, Metallurgy and Petroleum), upon receipt by the Company and/or Golden Anvil of a technical report prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) by an independent qualified person (as defined in NI 43-101) in relation to the El Colomo Concessions on or before October 21, 2015.

Subject to compliance with the policies of the Exchange, the Company shall, upon receipt from Golden Anvil of satisfactory evidence of requisite taxes and duties payable to maintain the El Colomo Concessions in good standing, provide Golden Anvil with a non-refundable deposit of up to CDN\$25,000 as an advancement or reimbursement for such taxes and duties.

Closing of the Acquisition is intended to take place on or before December 31, 2011. Completion of the Acquisition is subject to the following conditions precedent:

- (a) satisfactory completion of due diligence by the parties to the LOI;
- (b) acceptance by the Exchange of the independent NI 43-101 Technical Report (the "Technical Report") written by Wayne Ash, P. Eng., Ash & Associates Consulting Ltd. concerning the El Colomo Concessions;
- (c) delivery by Golden Anvil of all documents and associated information concerning the Assets;
- (d) the absence of any prohibition or regulation preventing the completion of the Acquisition, and the absence of any approved, announced or applicable governmental order that prohibits or restricts the Acquisition or imposes any additional material conditions or restrictions to the Acquisition;
- (e) execution of the definitive agreement with respect to the Acquisition; and
- (f) receipt of conditional acceptance of the Exchange of the Acquisition and all necessary regulatory, corporate and third party approvals;

Summary of the El Colomo Gold Project

The El Colomo property embraces a significant number of auriferous and argentiferous epithermal quartz veins within faults zones, typically found in the Sierra Madre Occidental.

Considerable exploration has been conducted on the property and several mineral bodies of potential economic size and tenor have been partially explored. However, the data regarding these is either pre-NI 43-101, (exceeding ten years), or for various other reasons, renders the data non-NI 43-101 compliant. The property is therefore considered to have no mineral resource or mineral reserve.

The El Colomo property was originally prospected by small, private enterprises dating back to the mid-1900s. However, the main development of the property commenced in the 1990s. Between 1993 and 1996, Minera Santa Regina, S.A. de C.V., contractor for ASARCO, conducted a reverse-circulation drill program on three of the mineralized showings, and followed up with an abbreviated geochemical sampling program.

Golden Anvil acquired the property in 2000 and that year, a total of thirteen (or 14) trenches were excavated on the Nueva Victoria deposit at ten metre intervals and channel sampled. The encouraging results apparently led to the development of an open pit mine on the deposit, and the installation of a (nominal) 300 metric-ton-per-day gravity/flotation plant, immediately adjacent to the pit. Several thousand metric tons were processed between 2006 and 2009.

Directors, Officers and other Insiders

Upon completion of the Acquisition, the board of directors of the Company will consist of Marco Antonio Rincon-Vales, David Coburn, one individual determined by Golden Anvil and one individual determined by the Company. A fifth director will be appointed at the first annual general meeting of the shareholders of the Company following completion of the Acquisition. David Coburn will remain as Chief Executive Officer and Kristian Dagsaan will remain as Chief Financial Officer and corporate secretary of the Company.

Marco Rincón-Valdés has over 17 years of business experience in Mexico and international trade. Mr. Rincón-Valdés served as CEO Assistant at El Puerto de Liverpool (LIVEPOL1:MX), the main retail department store chain in Mexico, and then served in the Nayarit State Government as Investment and Development Officer before founding his shrimp company and joining Grupo Matatipac in 1998. Grupo Matatipac is a group of companies for the Rincón family in Mexico focused on foreign trade, shrimp production, heavy construction, real estates and precious metals mining. Mr. Rincón-Valdés is a graduate of Universidad Panamericana with a B.A. degree in Industrial Engineering and holds an executive M.B.A. degree from The Johnson School of Management at Cornell University.

David Coburn has been the CEO and a director of the Company since it was incorporated. In his private business, he has invested in private and public corporations in several different industries but focuses on renewable energy/high tech/contract manufacturing industries primarily in Asia. He obtained his Bachelor of Science in Business Administration from Northern Arizona University in May 1985.

Kristian Dagsaan is and has been a controller for Edgewater Exploration Ltd. since June 2010. He previously was the controller for Transeuro Energy Corp. from February 2008 to April 2010, the president of Pacific Court Capital Corp. from January 2008 to April 2008 and was a senior associate with PricewaterhouseCoopers from September 2005 to January 2008. Mr. Dagsaan received a Bachelor of Arts (Business Major) from Vancouver Island University in 2004 and obtained his C.A. designation in 2007.

Golden Anvil is a gold and silver producing company in Mexico. The shareholders holding more than a 10% interest in Golden Anvil are Marco Antonio Rincón-Romo, Francisco Rolando Rincón-Romo, María del Carmen Quintana-Woodworth, all residents of Mexico, and Cynthia Reynoso, a resident of the United States.

Sponsorship of the Qualifying Transaction of a capital pool company ("CPC") is generally required by the Exchange, unless exempted in accordance with Exchange policies. The Company is currently reviewing Exchange requirements for sponsorship and intends to comply with all applicable policies; however a sponsor has not yet been engaged.

The Company is a capital pool company ("CPC") within the meaning of the policies of the TSX Venture Exchange. It is trading under the symbol GNC.P.

On behalf of the board of
GAINEY CAPITAL CORP.

Per: "David Coburn"

David Coburn
Chief Executive Officer and Director

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.