



# El Capitan Precious Metals, Inc.

## FROM EXPLORATION THRU PILOT OPERATIONS

El Capitan Precious Metals, Inc.  
Shareholders' Informational Meeting  
July 26, 2017

# NATIONAL FOREST SERVICE AGREEMENT

► February 23<sup>rd</sup> Plan of Operations for Mining Activities on National Forest System Lands, Signed

► Use of the Right of Way resolved allowing desired trucking activity.

Complete Agreement on Web Site

USDA, Forest Service

PLAN OF OPERATIONS FOR MINING ACTIVITIES  
ON NATIONAL FOREST SYSTEM LANDS

FS-2000-5 (Rev. 12/11)  
OMB NO. 0598-0122

USE OF THIS FORM IS OPTIONAL. \*TIME USERS SHOULD DIRECT QUESTIONS REGARDING THIS FORM OR REGULATIONS (36 CFR 228A) TO THE FOREST SERVICE DISTRICT OFFICE NEAREST YOUR AREA OF INTEREST.

Submitted by: Rachael M. Ireland Signature Authorized Representative Title 2/23/17 Date (mm/dd/yy)

Plan Received by: Jodie Campbell Signature District Ranger Title 2/23/2017 Date (mm/dd/yy)

I. GENERAL INFORMATION

A. Name of Mine/Project: El Capitan Mine, El Capitan Precious Metals, Inc.

B. Type of Operation: Iron Ore/Precious Metal open pit mine access/haul road  
(lode, placer, mill, exploration, development, production, other)

C. Is this a ☒ new ☐ continuing operation? (check one)  
If continuing a previous operation, this plan ☐ replaces ☐ modifies ☐ supplements a previous plan of operations. (check one)

D. Proposed start-up date (mm/dd/yy) of operation: ongoing

E. Expected total duration of this operation: Per this POP, 5 to 10 years

F. If seasonal, expected date (mm/dd/yy) of annual reclamation/stabilization close out: N/A

G. Expected date (mm/dd/yy) for completion of all required reclamation: TBD

II. PRINCIPALS

A. Name, address and phone number of operator: El Capitan Precious Metals, Inc.  
John Stapleton, Chief Executive Officer  
5871 Honeyaudite Road  
Prescott, AZ 86305-3764  
(602) 720-9000 jstapleton@mrinc.com

B. Name, address, and phone number of authorized field representative (if other than the operator).  
Attach authorization to act on behalf of operator.  
David Davidson, Mine Manager  
20701 S. Scottsdale Road #107-293  
Scottsdale, AZ 85255  
(480) 226-3113 david@gceintl.com

C. Name, address and phone number of owners of the claims (if different than the operator):

(If more space is needed to fill out a block of information, use additional sheets and attach form)

- 1 -



# Pilot Plant Strategy Execution

- ▶ System Built and Tested in China
  - ▶ Concentrates shipped to China to validate testing
- ▶ System Delivery
  - ▶ Shipped to California and trucked to Phoenix
- ▶ Recovery Pilot Operation Established in Phoenix
  - ▶ Process the concentrates that have been stored in the Bonded Warehouse
- ▶ Installation and Operation of System at Pilot Plant
  - ▶ Build – Out and Configuration of AuraSource System II (Hopper, Siemens Pumps, Electric Power and Weir Water System)
- ▶ Process, Smelt, Refine and Sell Precious Metals, as a Pilot, to a Operating Production Operation

# System Built in China





# Tested in China With El Capitan Concentrates







System (40,000 Pounds)  
Shipped To  
Phoenix





System  
Moved Into  
Pilot Plant



The Last  
Few Feet  
Of The  
Journey





Finally  
In  
Place

# Ready For Configuration

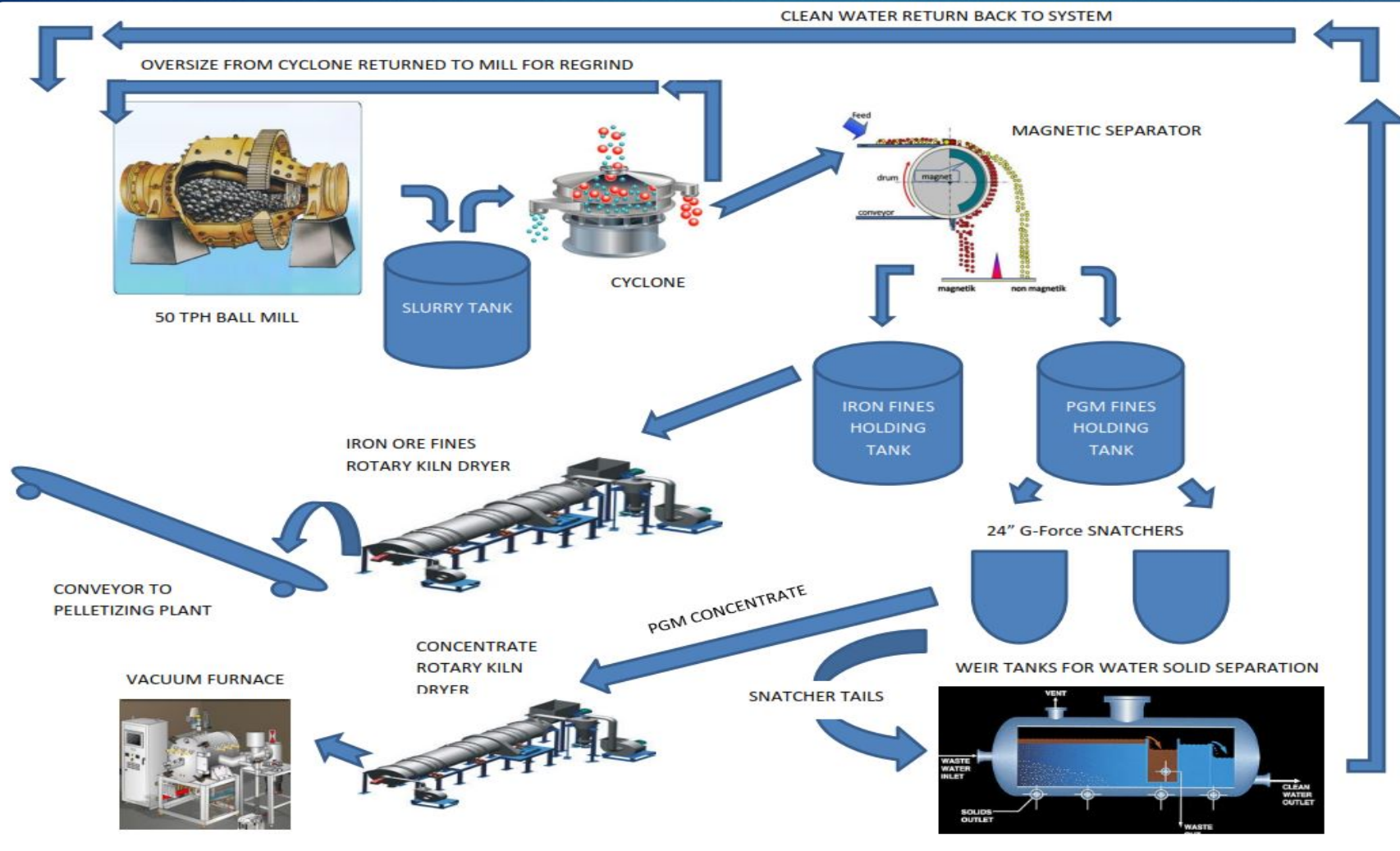






# Weir Water Recycling System





# Process Flow Chart



# Concentrates From Bonded Warehouse Inventory







# El Capitan Feedstock



# System Output







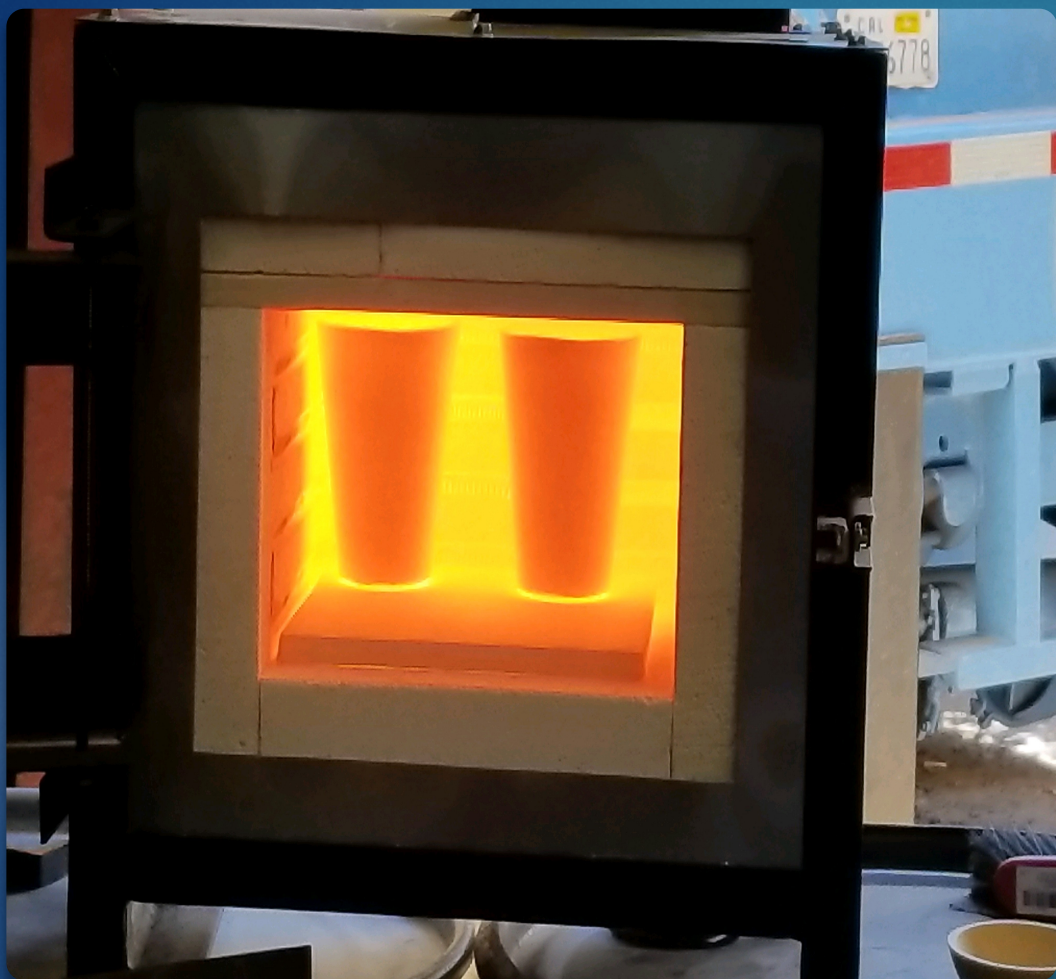
# Smelt the Hyper Concentrates

GOING FROM CONCENTRATES TO METAL



# Vacuum Furnace For Smelting





Precious Metals  
Alloy Being  
Refined In A  
Small Assay  
Furnace



# First Melt Of Platinum







# Second Melt Of Platinum

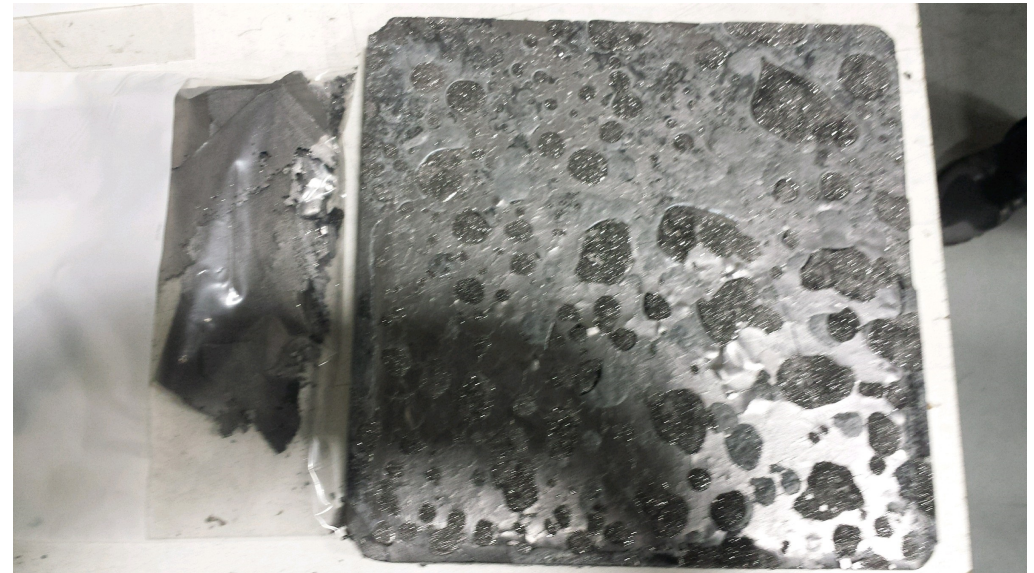
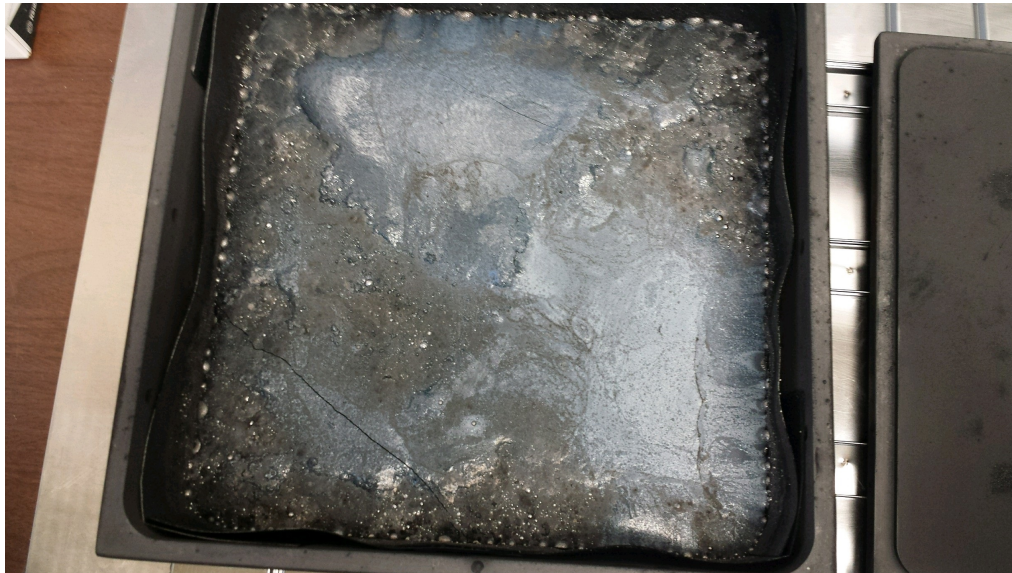




Johnson-Matthey Confirms PM's



# Smelted Product Sent to Refinery





# Issues Related to Refiner / Buyers

- ▶ Metals Presented in Bar Form to Refiner
  - ▶ Gold, Silver, Platinum, Rhodium, Iridium, Rhodium, Ruthenium, Palladium and Osmium
- ▶ Pilot Transaction Quantities
- ▶ Form of Material Presented (metal not concentrates)
- ▶ Certain Refiners will not pay for Gold (Johnson-Matthey)



# PFL Bullion - Pilot Sales Relationship

- ▶ Sale of El Capitan Precious Metals, under the agreement with PFL Metals Bullion Consultants has been executed and performed on
- ▶ 36 Years as the Chief Assayer for the Province of Ontario, Canada
  - ▶ Sample Prep – Fire Assaying – Atomic Absorption – Induction Coupled Plasma – XRD – XRF – PSA
- ▶ PFL Bullion Consultants is the broker that actually purchases our refined material from the refiner



# Product Output Through Pilot Period

- ▶ Pilot operations will run through Calendar 2017
- ▶ There will be approximately 2 tons of hyper-concentrated material smelted for delivery to refinery
- ▶ The value of the mixed precious smelted is expected to be approximately 3 million dollars through the remainder of the Pilot Program.
- ▶ All the mining to support this plan has been completed and the concentrates are on hand ready for hyper-concentration

# 2017 Accomplishments – Year To Date

- ▶ Successfully resolved issues related to the Right-of-Way allowing for trucking required for mining operations
- ▶ Successfully completed the establishment of the Pilot Plant
- ▶ Produced the required hyper-concentrated material ready for smelting of the El Capitan Precious Metals product
- ▶ Produced Gold, Silver, Platinum, Rhodium, Iridium, Rhodium, Ruthenium, Palladium and Osmium for sale
- ▶ Sold the Mixed Precious Metals product into the Precious Metals Market





Stay Tuned For Updates

El Capitan Precious Metals, Inc.

FROM **PILOT THRU PRODUCTION** OPERATIONS

# El Capitan Precious Metals Web Site

- ▶ El Capitan Precious Metals, Inc. Web Site has been completely redeveloped
- ▶ It features convenient access to SEC Filings, Press Releases and Business Updates
- ▶ Offers a subscription form permitting you to sign up to have all Press Releases automatically sent to you
- ▶ The Web Site will host this presentation and audio recording from this meeting





# *El Capitan*

## PRECIOUS METALS, INC.

### **2017: A Turning Point for El Capitan Precious Metals**

Located in Lincoln County, south central New Mexico, the El Capitan mine has a long and rich history.

Evolving technologies within the mining sector, a burgeoning international marketplace, and sheer tenacity have played key roles in the transition of a mining exploration company into a mining operations company that is making strides toward meeting goals and strategic objectives that will create and deliver value to its shareholders.

[Investor Information](#)