U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended June 30, 2016

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number: **333-56262**

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	**88-0482413** (I.R.S. Employer Identification No.)
5871 Honeysuckle Road **Prescott, AZ** (Address of principal executive offices)	**86305-3764** (Zip Code)

(928) 515-1942
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 359,170,124 shares of common stock par value $0.001, of the issuer were issued and outstanding as of August 15, 2016.

EL CAPITAN PRECIOUS METALS, INC.

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CAUTIONARY NOTE REGARDING EXPLORATION STAGE STATUS

We are considered an "exploration stage" company under the U.S. Securities and Exchange Commission ("SEC") Industry Guide 7, Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations ("Industry Guide 7"), because we do not have reserves as defined under Industry Guide 7. Reserves are defined in Industry Guide 7 as that part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination. The establishment of reserves under Industry Guide 7 requires, among other things, certain spacing of exploratory drill holes to establish the required continuity of mineralization and the completion of a detailed cost or feasibility study.

Because we have no reserves as defined in Industry Guide 7, we have not exited the exploration stage and continue to report our financial information as an exploration stage entity as required under Generally Accepted Accounting Principles ("GAAP"). Although for purposes of FASB Accounting Standards Codification Topic 915, Development Stage Entities, we have exited the development stage and no longer report inception to date results of operations, cash flows and other financial information, we will remain an exploration stage company under Industry Guide 7 until such time as we demonstrate reserves in accordance with the criteria in Industry Guide 7.

Because we have no reserves, we have and will continue to expense all mine construction costs, even though these expenditures are expected to have a future economic benefit in excess of one year. We also expense our reclamation and remediation costs at the time the obligations are incurred. Companies that have reserves and have exited the exploration stage typically capitalize these costs, and subsequently amortize them on a units-of-production basis as reserves are mined, with the resulting depletion charge allocated to inventory, and then to cost of sales as the inventory is sold. As a result of these and other differences, our financial statements will not be comparable to the financial statements of mining companies that have established reserves and have exited the exploration stage.

SEC INDUSTRY GUIDE 7 DEFINITIONS

The following definitions are taken from the mining industry guide entitled “Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations” contained in the Securities Act Industry Guides published by the United States Securities and Exchange Commission, as amended.

Exploration State	The term “exploration state” (or “exploration stage”) includes all issuers engaged in the search for mineral deposits (reserves) which are not in either the development or production stage.
Development Stage	The term “development stage” includes all issuers engaged in the preparation of an established commercially mineable deposit (reserves) for its extraction which are not in the production stage. This stage occurs after completion of a feasibility study.
Mineralized Material	The term “mineralized material” refers to material that is not included in the reserve as it does not meet all of the criteria for adequate demonstration for economic or legal extraction.
Probable (Indicated) Reserve	The term “probable reserve” or “indicated reserve” refers to reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.
Production Stage	The term “production stage” includes all issuers engaged in the exploitation of a mineral deposit (reserve).
Proven (Measured) Reserve	The term “proven reserve” or “measured reserve” refers to reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.
Reserve	The term “reserve” refers to that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves must be supported by a feasibility study done to bankable standards that demonstrates the economic extraction. (“Bankable standards” implies that the confidence attached to the costs and achievements developed in the study is sufficient for the project to be eligible for external debt financing.) A reserve includes adjustments to the in-situ tons and grade to include diluting materials and allowances for losses that might occur when the material is mined.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q may contain certain "forward-looking" statements as such term is defined by the Securities and Exchange Commission in its rules, regulations and releases, which represent the registrant's expectations or beliefs, including but not limited to, statements concerning the registrant's operations, economic performance, financial condition, growth and acquisition strategies, investments, and future operational plans. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," "might," "plan," "predict" or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, certain of which are beyond the registrant's control, and actual results may differ materially depending on a variety of important factors, including uncertainty related to acquisitions, governmental regulation, managing and maintaining growth, the operations of the Company and its subsidiaries, volatility of stock price, commercial viability of any mineral deposits and any other factors identified in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2015, filed with the U.S. Securities and Exchange Commission on January 11, 2016, or discussed herein or in the Company's other filings with the Securities and Exchange Commission. The Company does not intend or undertake to update the information in this Form 10-Q if any forward-looking statement later turns out to be inaccurate.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EL CAPITAN PRECIOUS METALS, INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2016	September 30, 2015
ASSETS		
CURRENT ASSETS:		
Cash	$ 62,425	$ 71,393
Prepaid expense and other current assets	63,000	61,654
Inventory	957,503	52,279
Total Current Assets	1,082,928	185,326
Property and equipment, net of accumulated depreciation of $112,902 and $63,470, respectively	541,020	588,067
Exploration property	1,864,608	1,864,608
Restricted cash	74,503	74,499
Deposits	22,440	22,440
Total Assets	$ 3,585,499	$ 2,734,940
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 306,494	$ 251,834
Notes payable, net of unamortized discounts of $2,990 and $77,157, respectively	943,920	1,168,187
Convertible notes payable, net of unamortized discounts of $25,987 and $0, respectively	269,013	—
Note payable, related party net of unamortized discounts of $0 and $4,438, respectively	30,000	25,562
Derivative instrument liability	231,856	—
Accrued compensation - related parties	410,000	228,975
Accrued liabilities	429,577	592,764
Total Current Liabilities	2,620,860	2,267,322
LONG-TERM DEBT:		
Convertible note payable, net of unamortized discounts of $60,049 and $0, respectively	4,351	—
Total Liabilities	2,625,211	2,267,322
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; 51 and 51 shares issued and outstanding, respectively	—	—
Common stock, $0.001 par value; 400,000,000 shares authorized; 324,969,996 and 285,398,000 shares issued and outstanding, respectively	324,970	285,398
Additional paid-in capital	209,426,887	207,701,091
Accumulated deficit	(208,791,569)	(207,518,871)
Total Stockholders' Equity	960,288	467,618
Total Liabilities and Stockholders' Equity	$ 3,585,499	$ 2,734,940

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EL CAPITAN PRECIOUS METALS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
REVENUES	$ —	$ —	$ 2,950	$ —
COSTS ASSOCIATED WITH REVENUES	—	—	3,300	—
Gross Loss	—	—	(350)	—
OPERATING EXPENSES:				
Mine and exploration costs	214,207	102,693	398,412	294,506
Professional fees	54,730	56,090	157,491	161,720
Administrative consulting fees	65,000	65,000	195,000	195,000
Legal and accounting fees	28,741	18,239	173,101	87,975
Other general and administrative	30,101	146,757	117,004	765,327
Total Operating Expenses	392,779	388,779	1,041,008	1,504,528
LOSS FROM OPERATIONS	(392,779)	(388,779)	(1,041,358)	(1,504,528)
OTHER INCOME (EXPENSE):				
Interest income	4	2	10	19
(Loss) gain on derivative instruments	(82,256)	—	72,467	—
Gain (loss) on debt extinguishment	20,648	—	(80,396)	—
Interest expense – related party	(1,347)	(3,551)	(8,492)	(5,537)
Interest expense	(87,356)	(104,053)	(214,929)	(264,593)
Total Other Income (Expense)	(150,307)	(107,602)	(231,340)	(270,111)
NET LOSS	$ (543,086)	$ (496,381)	$ (1,272,698)	$ (1,774,639)
Basic and Diluted Per Share Data:				
Net Loss Per Share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted Average Common Shares Outstanding:				
Basic and diluted	318,584,126	281,751,392	307,973,106	279,514,937

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EL CAPITAN PRECIOUS METALS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended June 30,	
	2016	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (1,272,698)	$ (1,774,639)
Adjustments to reconcile net loss to net cash used in operating activities:		
Warrant and option expense	22,367	525,703
Stock-based compensation	305,703	67,550
Amortization of debt discounts	152,027	204,312
Amortization of deferred financing costs	—	16,046
Depreciation	49,432	44,004
Loss on debt extinguishment	80,396	—
Gain on derivative instruments	(72,467)	—
Net change in operating assets and liabilities:		
Prepaid expenses and other current assets	45,190	(9,100)
Inventory	(240,962)	(33,254)
Accounts payable	68,110	342,317
Accrued compensation – related parties	332,186	—
Accrued liabilities	120,749	10,300
Interest payable	39,967	26,608
Net Cash Used in Operating Activities	(370,000)	(580,153)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(2,385)	(80,954)
Restricted cash	(4)	(59,497)
Net Cash Used in Investing Activities	(2,389)	(140,451)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the sale of common stock	45,995	50,000
Proceeds from convertible notes payable, net of original issue discounts	321,800	—
Proceeds from notes payable	—	408,000
Proceeds from notes payable – related party	—	30,000
Increase in finance contracts	32,773	38,084
Payments on finance contracts	(37,147)	(15,896)
Net Cash Provided by Financing Activities	363,421	510,188
NET DECREASE IN CASH	(8,968)	(210,416)
CASH, BEGINNING OF PERIOD	71,393	218,513
CASH, END OF PERIOD	$ 62,425	$ 8,097

(Continued)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EL CAPITAN PRECIOUS METALS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)

	Nine Months Ended June 30,	
	2016	**2015**
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 31,503	$ 23,044
Cash paid for income taxes	—	—
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Warrants issued with debt	$ —	$ 73,053
Warrants issued for deferred financing costs	—	17,111
Common stock issued with debt	4,858	119,559
Common stock issued on settlement of note payables and accrued interest	307,982	—
Common stock issued for third party payables	290,106	—
Common stock issued on conversion of note payable and accrued interest	52,256	—
Common stock issued for inventory	664,262	—
Common stock issued for related party payables	151,161	—
Common stock issued for prepayment of services	46,535	—
Debt discount from derivative liabilities	92,000	—
Warrant derivative allocation	212,323	—
Reclassification of accrued interest to principal outstanding	5,940	—
Convertible debt issued for deferred stock issuance costs	25,000	—

The accompanying notes are an integral part of these unaudited consolidated financial statements.

EL CAPITAN PRECIOUS METALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

Business, Operations and Organization

The accompanying unaudited interim financial statements of El Capitan Precious Metals, Inc, a Nevada corporation, (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, the financial statements do not include all information and footnotes required by generally accepted accounting principles in the United States ("GAAP") for complete annual financial statements. In the opinion of management, the accompanying unaudited interim financial statements reflect all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation. Interim operating results are not necessarily indicative of results that may be expected for the fiscal year ending September 30, 2016, or for any subsequent period. These interim financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the fiscal year ended September 30, 2015, included in the Company's Annual Report on Form 10-K, filed with the SEC on January 11, 2016 (the "2015 Form 10-K"). The consolidated balance sheet at September 30, 2015, has been derived from the audited financial statements included in the 2015 Form 10-K.

Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal 2015 as reported in the 2015 Form 10-K have been omitted.

The Company is an exploration stage company as defined by the SEC Industry Guide 7 as the Company has no established reserves as required under the Industry Guide 7. We are principally engaged in the exploration of precious metals and other minerals on the El Capitan property located near Capitan, New Mexico (the "El Capitan Property"). The Company is in mineral exploration state activities and has obtained permitting from the State of New Mexico Minerals and Mining Division to expand the Company's mineral exploration activities and the process of entering into the production stage of operations.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries El Capitan Precious Metals, Inc., a Delaware corporation; Gold and Minerals Company, Inc., a Nevada corporation; and El Capitan, Ltd, an Arizona corporation. All significant inter-company accounts and transactions have been eliminated in consolidation.

The Company, together with its consolidated subsidiaries are collectively hereinafter referred to as the "Company," "our" or "we."

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation.

Basis of Presentation and Going Concern

The Company's consolidated financial statements are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"), and have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company currently has a minimum source of revenue to cover its costs. The Company has incurred a loss of $1,272,698 for the nine months ended June 30, 2016 and has a working capital deficit of $1,537,932 as of June 30, 2016. The negative working capital position includes a noncash derivative instrument liability of $231,856. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

EL CAPITAN PRECIOUS METALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

To continue as a going concern, the Company is dependent on achievement of cash flow and future profits from entering the production stage of operations. The Company does not have adequate liquidity to fund its current operations, meet its obligations and continue as a going concern. The Company has secured working capital loans as set forth below to assist in financing its activities in the near term.

Loan Date	Net Proceeds
December 2015	$ 92,000
January 2016	156,000
March 2016	73,800

The Company is also pursuing other financing alternatives, including short-term operational strategic financing or equity financing, to fund its activities until it can achieve cash flow and profits from its operations. See ***Note 6*** for additional information.

The Company's consolidated financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Fair Value of Financial Instruments

The fair values of the Company's financial instruments, which include cash, investments, accounts payable, accrued expenses and notes payable, approximate their carrying amounts because of the short maturities of these instruments or because of restrictions.

Management Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenses during the reporting periods. Management makes these estimates using the best information available at the time the estimates are made; however, actual results could differ materially from these estimates.

Cash

The Company considers those short-term, highly liquid investments with maturities of three months or less as cash. At times, cash in banks may be in excess of the FDIC limits. The Company has no cash equivalents.

Inventory

Inventories include mineralized material stockpile, concentrate and iron ore inventories, as described below. Inventories are carried at the lower of average cost or net realizable value, in the case of mineralized material stockpile and concentrate inventories and minimal cost is attributable to the iron ore inventories. The net realizable value of mineralized material stockpile inventories represents the estimated future sales price of the product based on current and long-term metals prices, less the estimated costs to complete production and bring the product to sale. Concentrate inventories are carried at the lower of full cost of production or net realizable value based on current metals prices. Write-downs of inventory will be reported as a component of production costs applicable to sales.

EL CAPITAN PRECIOUS METALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Ore Stockpile Inventory

Ore stockpile inventory represents mineralized materials that have been mined and are available for further processing. Costs are allocated to mineralized material stockpile inventories based on relative values of material stockpiled and processed using current mining costs incurred up to the point of stockpiling the mineralized material.

Concentrates

Concentrates inventory include metal concentrates located either at the Company's El Capitan Property mine site or in transit to a customer's site for additional processing and/or refining. Inventories consist of mineralized material that contains mainly gold and silver mineralization. Concentrate inventories are carried at the lower of full cost of production or market based on current metals prices.

Iron Ore

The high grade iron ore material is inventoried and valued at the lower of cost or market. Any proceeds from the sale of iron ore will offset the cost of mining the mineralized ore.

Restricted Cash

Restricted cash consists of two certificates of deposits in favor of the New Mexico Minerals and Mining Division for a total of $74,503. The amount was increased $59,495 during the fiscal year ended September 30, 2015 with the issuance of the Company's expanded mining permit and is posted as a financial assurance for required reclamation work to be completed on mined acreage.

Exploration Property Costs

Exploration property costs are expensed as incurred until such time as economic reserves are quantified. To date the Company has not established any proven or probable reserves on the El Capitan Property. The Company has capitalized $1,864,608 of exploration property acquisition costs reflecting its investment in the El Capitan Property.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow or, market risks.

The Company reviews the terms of convertible debt, equity instruments and other financing arrangements to determine whether there are embedded derivative instruments, including embedded conversion options that are required to be bifurcated and accounted for separately as a derivative financial instrument. Also, in connection with the issuance of financing instruments, the Company may issue freestanding options or warrants that may, depending on their terms, be accounted for as derivative instrument liabilities, rather than as equity. The Company may also issue options or warrants to non-employees in connection with consulting or other services.

Derivative financial instruments are initially measured at their fair value. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income. For warrant-based derivative financial instruments, the Company uses the Black-Scholes Option Pricing Model to value the derivative instruments. To the extent that the initial fair values of the freestanding and/or bifurcated derivative instrument liabilities exceed the total proceeds received, an immediate charge to income is recognized, in order to initially record the derivative instrument liabilities at their fair value.

EL CAPITAN PRECIOUS METALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The discount from the face value of the convertible debt or equity instruments resulting from allocating some or all of the proceeds to the derivative instruments, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to income, using the effective interest method.

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. If reclassification is required, the fair value of the derivative instrument, as of the determination date, is reclassified. Any previous charges or credits to income for changes in the fair value of the derivative instrument are not reversed. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within twelve months of the balance sheet date.

The Company had derivative financial instruments with a fair value of $231,856 at June 30, 2016.

Stock-Based Compensation

The Company recognized stock-based compensation aggregating $328,070 and $593,253 for common stock options and common stock issued to administrative personnel and consultants during the nine months ended June 30, 2016 and 2015, respectively.

Revenue Recognition

When revenue is generated from operations, it will be recognized in accordance with FASB ASC 605. In general, the Company will recognize revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the fee is fixed or determinable, and (iv) collectability is reasonably assured. Revenue generated and costs incurred under an arrangement will be reported on a net basis in accordance with FASB ASC 605-45. There was nominal revenue generated for the nine months ended June 30, 2016 from test loads of iron ore to the construction contractor.

Recently Issued Accounting Pronouncements

Other than as set forth below, management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

In April 2015, the FASB issued ASU No. 2015-03 "*Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs."* ASU No. 2015-03 provides that an entity: (1) present debt issuance costs in the balance sheet as a direct deduction from the carrying value of the associated debt liability rather than as an asset; and (2) report amortization of debt issuance costs as interest expense. Company has adopted ASU No. 2015-03 as of December 31, 2015, which has no material impact on its consolidated financial statements.

In July 2015, the FASB has issued Accounting Standards Update (ASU) No. 2015-11, *"Inventory (Topic 330): Simplifying the Measurement of Inventory*." Topic 330, "*Inventory*," currently requires an entity to measure inventory at the lower of cost or market. Market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. The amendments do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure in scope inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in this Update more closely align the measurement of inventory in GAAP with the measurement of inventory in International Financial Reporting Standards. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The Company adopted of ASU 2015-11 as of December 31, 2015, which has no material impact on its consolidated financial statements.

EL CAPITAN PRECIOUS METALS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

In November 2015 the FASB issued Accounting Standards Update (ASU) 2015-17, *Income Taxes (Topic 740) Related to the Balance Sheet Classification of Deferred Taxes* which will require entities to present deferred tax assets (DTAs) and deferred tax liabilities (DTLs) as noncurrent in a classified balance sheet. The ASU simplifies the current guidance (ASC 740-10-45-4), which requires entities to separately present DTAs and DTLs as current and noncurrent in a classified balance sheet. The ASU is effective for annual reporting periods beginning on or after December 15, 2016, and interim periods within those annual periods. The Board decided to allow all entities to early adopt the ASU for financial statements that had not been issued. The Company has adopted ASU 2015-17 as of December 31, 2015, which has no material impact on its consolidated financial statements.

In January 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-01, *“Financial Instruments - Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10).”* The amendments require all equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under the equity method of accounting or those that result in consolidation of the investee). The amendments also require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. In addition, the amendments eliminate the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities and the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet for public business entities. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company does not expect to early adopt this guidance and does not believe that the adoption of this guidance will have a material impact on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *"Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting."* ASU 2016-09 amends several aspects of the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early adoption is permitted any interim or annual period. If early adopted, an entity must adopt all of the amendments in the same period. The Company is currently evaluating the potential impact of the adoption of ASU 2016-09 on the Company's consolidated financial statements.

NOTE 2 – RELATED PARTY TRANSACTIONS

Consulting Agreements

Effective May 1, 2009, the Company has informal arrangements with two individuals, both of whom are officers and one is also a director of the Company, pursuant to which such individuals serve as support staff for the functioning of the home office and all related corporate activities and projects. The aggregate monthly payments under the informal arrangements are $21,667. There are no written agreements with these individuals. Total administrative consulting fees expensed under these informal arrangements for the nine months ended June 30, 2016 and 2015 was $195,000, respectively. Accrued and unpaid compensation under these arrangements of $93,975 was recorded in accrued compensation – related parties at September 30, 2015. As of June 30, 2016, total accrued and unpaid compensation under these arrangements is $140,000 recorded in accrued compensation – related parties.

During the nine months ended June 30, 2016, the Company issued 1,663,186 common shares to the President of the Company as payment of accrued compensation of $108,975. The fair value of the stock was $102,849 and the Company recorded an additional paid in capital of $6,126. During the nine months ended June 30, 2016, the Company issued 831,591 common shares to the Chief Financial Officer of the Company as payment of accrued compensation of $42,186. The fair value of the stock was $32,765 and the Company recorded an additional paid in capital of $9,421.

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In January 2012, the Company retained the consulting services of Management Resource Initiatives, Inc. ("MRI"), a company controlled by the Chief Financial Officer at that time and a Director of the Company. The monthly consulting fee for such services is $15,000. Total consulting fees expensed to MRI for the nine months ended June 30, 2016 and 2015 was $135,000, respectively. At June 30, 2016 and September 30, 2015, MRI had accrued and unpaid compensation of $270,000 and $135,000, respectively, recorded in accrued compensation – related parties.

On February 4, 2015, the Company signed a $30,000 promissory note payable to MRI, at 18% interest per annum, due and payable on February 4, 2016. As an inducement for the loan represented by the note, the Company issued 200,000 shares of restricted common stock of the Company to MRI. The Company is in the process of amending the note to extend the maturity date from February 4, 2016 to February 4, 2017. See ***Note 6.***

NOTE 3 – INVENTORY

The following table provides the components of inventory as of June 30, 2016 and September 30, 2015:

	June 30, 2016	September 30, 2015
Ore stockpiles	$ 957,503	$ 52,279

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities consisted of the following as of June 30, 2016 and September 30, 2015:

	June 30, 2016	September 30, 2015
Compensation and consulting	$ 21,000	$ 62,000
Mining costs	100,000	203,626
Accounting and legal	234,650	277,000
Interest	73,927	50,138
	$ 429,577	$ 592,764

During the nine months ended June 30, 2016, the Company issued 2,147,273 common shares as payment of accrued legal fees of $118,100. The fair value of the stock was $113,805 and the Company recorded a gain on the debt conversion of $4,295. The Company issued shares as payment of accrued mining costs of $103,626 and issued 1,844,547 shares as payment for accrued compensation of $99,450 to third parties at a fair value of $72,675 and the Company recorded a gain on the debt conversions of $26,775.

NOTE 5 - DERIVATIVE INSTRUMENT LIABILITIES

The fair market value of the derivative instruments liabilities at June 30, 2016, was determined to be $231,856. On December 2, 2015, the warrants issued under a note to a third party, became tainted with the issuance of a convertible note to an accredited investor and were required to be fair valued and recognized as derivative liabilities. On January 12, 2016, an amendment to the convertible note was made and under GAAP the derivative liability had to be revalued on this date and eliminated. The Black-Scholes Option Pricing Model was utilized with the following assumptions: (1) risk free interest rate of 0.857% to 1.081%, (2) remaining contractual life of 1.76 to 2.6 years, (3) expected stock price volatility of 105.107% to 122.402%, and (4) expected dividend yield of $0.

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On June 9, 2016, the warrants issued under a note to third parties, became tainted on the effective conversion date of a convertible note to an accredited investor and were required to be fair valued and recognized as derivative liabilities. The Black-Scholes Option Pricing Model was utilized with the following assumptions: (1) risk free interest rate of 0.654% to 0.856%, (2) remaining contractual life of 1.36 to 2.61 years, (3) expected stock price volatility of 117.603% to 133.706%, and (4) expected dividend yield of $0. The Company has recorded a gain on derivative instruments for the nine months ended June 30, 2016, of $72,467.

	Derivative Liability as of September 30, 2015	Derivative Liability as of June 30, 2016
Warrants	$ —	$ 134,140
Convertible notes	—	97,716
Total	$ —	$ 231,856

	Change in Fair Value for Nine Months Ended June 30, 2016
Fair value as of September 30, 2015	$ —
Change in fair value	340,811
Additions recognized as derivative loss at inception	(268,344)
Net gain on derivative instruments	72,467
Amount reclassified from equity at inception	(355,126)
Amount reclassified to equity upon resolution	142,803
Note discount recognized at inception	(92,000)
Fair value as of June 30, 2016	$ 231,856

Warrants

During December, 2015, a total of 4,861,344 warrants were tainted due to the convertible note issued in December 2015 and were reclassified from equity to derivative liabilities with a fair value of $205,526. On January 12, 2016, an amendment to the convertible note was made and under GAAP, the derivative liability had to be revalued on this date and eliminated. The fair value of the warrants on January 12, 2016 of $142,803 was reclassified to equity.

On June 9, 2016, the convertible note issued in December 2015 became convertible and a total of 5,332,773 warrants were tainted due to the convertible note and were reclassified from equity to derivative liabilities with a fair value of $149,600.

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NOTE 6 – NOTES PAYABLE

Agreements with Logistica U.S. Terminals, LLC

Under an agreement with Logistica U.S. Terminals, LLC ("Logistica") dated February 28, 2014, Logistica agreed to remit a $400,000 payment on the Company's behalf that represented the remaining balance of the Company's purchase price for a heavy ore trailing separation line to be used for processing of mineralized material at the El Capitan Property mine site. The Company previously remitted $100,000 toward the purchase of such equipment. In consideration for Logistica remitting such payment, the Company agreed to deliver a $400,000 promissory note to Logistica and issued 2,500,000 shares of common stock to a designee of Logistica under the Company's 2005 Stock Incentive Plan. The promissory note accrues interest at 4.5%, with principal and accrued interest payments to be made out of the Company's proceeds from sale of iron extracted from mineralized material as part of the Company's exploration activities. The relative fair value of the common stock was determined to be $222,222 and was recorded as a discount to the promissory note that was amortized to interest expense over the expected life of the note through August 31, 2015. During the fiscal year ended September 30, 2015, amortization expense of $158,559 was recognized. The outstanding balance under this note payable was $400,000 and the unamortized discount on the note payable was $0 as of June 30, 2016. Accrued interest on the note at June 30, 2016 was $42,066.

On January 5, 2016, the Company entered into a new agreement with Logistica. Under the agreement the Company will provide to Logistica concentrated ore to their specifications at the mine site. Logistica will transport, process, and refine the precious metals concentrates to sell to precious metals buyers. This agreement is in addition to and complements the previously announced agreement for the sale of iron ore for use in construction. The terms of the new agreement provide for the recovery of hard costs related to the concentrates by both parties prior to the distribution of profits. The agreement also provides for the future issuance of 10,000,000 shares of the Company's restricted common stock and the elimination of a $100,000 accrued liability to Logistica for prior services rendered. The issuance date of shares is anticipated to occur in August 2016. The new agreement supersedes the previous agreements with Logistica.

October 17, 2014 Note and Warrant Purchase Agreement

On October 17, 2014, the Company entered into a private Note and Warrant Purchase Agreement with an accredited investor pursuant to which the Company borrowed $500,000 against delivery of a promissory note (the "2014 Note") in such amount and issued warrants to purchase 882,352 shares of our common stock pursuant to the Note and Warrant Purchase Agreement. The promissory note carries an interest rate of 8% per annum, was initially due on July 17, 2015 and is secured by a first priority security interest in all right, title and interest of the Company in and to the net proceeds received by the Company from its sale of tailings separated from iron recovered by the Company at the El Capitan Property. On August 24, 2015, the 2014 Note was mutually extended from July 17, 2015 to January 17, 2016. In consideration of the extension, the Company amended the common stock purchase warrant to purchase 4,714,286 shares (subject to adjustment) of the Company's common stock at an exercise price of $0.07 per share. The warrant dated October 17, 2014 was cancelled. On January 19, 2016, the amended 2014 Note was extended from January 17, 2016 to September 19, 2016. In consideration of the extension, the Company issued to the investor a fully vested three year common stock purchase warrant to purchase 471,429 shares (subject to adjustment) of common stock of the Company at an exercise price of $0.051 per share, the closing price on the date of the agreed extension agreement. The fair value of the warrants was determined to be $16,775 using Black-Scholes option price model and was expensed during the three months ended March, 2016. As of June 30, 2016, the outstanding balance under the amended 2014 Note is $500,000 and accrued interest was $8,109.

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February 4, 2015 Unsecured Promissory Notes

On February 4, 2015, the Company issued unsecured promissory notes in the aggregate principal amount of $63,000. Outstanding amounts under these notes accrue interest at 18% per year at inception, with all principal and accrued interest being due and payable on February 4, 2016. As additional consideration for the loan, the Company issued 200,000 shares of restricted common stock of the Company to each lender for a total of 400,000 shares. The relative fair value of the common stock was determined to be $21,211 and was recorded as discounts to the promissory notes was amortized to interest expense over the life of the notes. On February 4, 2016, one of the promissory notes was amended to extend the maturity date from February 4, 2016 to February 4, 2017 and reduced the interest rate to 10% per year. The Company also agreed to add the accrued interest on the note at February 4, 2016 of $5,940 to the principle of the note. In consideration of the amendment, the Company agreed to issue 150,000 shares of restricted common stock of the Company to the lender and the Board of Directors approved the issuance on April 22, 2016 and recorded the fair value of issued shares, using the Black-Scholes Option Pricing Model, in the amount of $4,858 as a discount to the note as it was a debt modification. One of the lenders is affiliated with the Company and provided $30,000 of the original $63,000 loaned funds. See ***Note 2***. The Company's obligations under both notes were personally guaranteed by the Company's director and Chief Executive Officer.

During the nine months ended June 30, 2016, amortization expense of $10,844 was recognized, the aggregate outstanding balance under these notes was $68,940, accrued interest was $9,360 and the unamortized discounts on the notes payable was $2,990.

April 16, 2015 Installment Loan

On April 16, 2015, the Company entered into an agreement with a third party financing source pursuant to which the lender committed to loan the Company a total of $200,000 in installments. Installments on this loan have been advanced as follows:

Installment Date	Amount
April 17, 2015	$ 50,000
May 15, 2015	$ 50,000
June 16, 2015	$ 25,000
July 20, 2015	$ 25,000
August 18, 2015	$ 25,000
September 18, 2015	$ 25,000

The loan accrued interest at 10% per year, with all principal and accrued interest being due and payable on April 17, 2016. To secure the loan, the Company granted the lender a security interest in the AuraSource heavy metals separation system located on the El Capitan Property. As additional consideration for the loan, the Company issued 3,000,000 shares of restricted common stock of the Company to the note holder. The note, including a portion of accrued interest of $7,500, was satisfied in its entirety in December 2015 in exchange for 3,772,728 restricted shares of the Company's common stock. The note and accrued interest retired aggregated $207,500 and the fair value of the stock was $215,423. The Company recorded a loss on the debt conversion of $7,923. At June 30, 2016, unpaid accrued interest remained of $2,466.

Financing of Insurance Premiums

On July 14, 2015, the Company entered into an agreement to finance a portion of its insurance premiums in the amount of $15,116 at an interest rate of 8.76% with equal payments of $1,573, including interest, due monthly beginning July 14, 2015 and continuing through April 14, 2016. In August 2015, an increase in premium of $1,876 occurred due an increase in coverage and the remaining payments increased to $1,815. As of June 30, 2016, the outstanding balance under this note payable was $0.

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On November 19, 2015, the Company entered into an agreement to finance director and officer insurance premiums in the amount of $26,031 at an interest rate of 7.05% with equal payments of $2,688, including interest, due monthly beginning December 21, 2015 and continuing through September 21, 2016. As of June 30, 2016, the outstanding balance under this note payable was $7,970.

On December 31, 2015, the Company entered into an agreement to finance additional insurance premiums in the amount of $6,742 at an interest rate of 8.752% with equal payments of $2,283, including interest, due monthly beginning February14, 2016 and continuing through April 14, 2016. As of June 30, 2016, the outstanding balance under this note payable was $0.

August 31, 2015 Working Capital Loan

On August 31, 2015, the Company entered into an agreement with a third party financing source pursuant to which the lender committed to loan the Company $100,000 for working capital. As an incentive for the financing, the Company issued 2,000,000 shares of restricted common stock. The investor decided not to accept the shares because of income tax implications and they were returned to the Company's transfer agent and returned to the treasury. The agreement had an annual interest rate of 2% and was due November 15, 2015. The agreement provided for payment of one-half (1/2) of the gross revenues that the Company may receive from its mining activities towards the principal and accrued interest. The note, including accrued interest, was satisfied in its entirety in December 2015 in exchange for 3,500,000 restricted shares of the Company's common stock. The principal and accrued interest retired aggregated $100,482 and the fair value of the stock was $187,250. The Company recorded a loss on the debt conversion of $86,768.

December 2, 2015 Securities Purchase Agreement

On December 2, 2015, the Company entered into a Securities Purchase Agreement for two $114,400 convertible notes with an accredited investor for an aggregate principal amount of $228,800 with an annual interest rate of 9%. Each note contains an original issue discount ("OID") of $10,400 and related legal and due diligence costs of $12,000. The net proceeds from the first note received by the Company was $92,000. The second note was cancelled. The maturity date on the first note is December 2, 2017. An amendment to the note on January 12, 2016, allows the Company to prepay in full the unpaid principal and interest on the note, upon notice, any time prior to June 8, 2016. Any prepayment is at 140% face amount outstanding and accrued interest. The redemption must be closed and paid for within three business days of the Company sending the redemption demand. The note may not be prepaid after the June 8, 2016. The note became convertible into shares of the Company's common stock at any time beginning on June 9, 2016. The conversion price is equal to 55% of the lowest trading price of the Company's common stock as reported on the QTCQB for the 10 prior trading days (and may include the day of the Notice of Conversion under certain circumstances). The Company agreed to reserve an initial 5,033,000 shares of common stock for conversions under the note. The Company also agreed to adjust the share reserve to ensure that it equals at least four times the total number of shares of common stock issuable upon conversion of the note from time to time. The Company currently has shares on reserve for the convertible note. The Company recognized the fair value of the embedded conversion feature as a derivative liability on June 9, 2016 of $136,276 when the note became convertible.

The note contained an embedded conversion option and was separated from the Note and accounted for as a derivative instrument at fair value and discount to the Note and is expensed over the life of the Note under the effective interest method. The initial carrying value of the of the embedded conversion option exceeded the net proceeds received and created a derivative loss of $132,068 in the period ending December 31, 2015. The Company recorded a loan discount of $114,400 and the discount included OID interest of $10,400 and related loan costs of $12,000. For the nine months ended June 30, 2016, the discount amortization was $54,351. On June 9, 2016, the Company issued 2,878,127 shares of common stock to the investor in satisfaction of $50,000 principal and $2,256 in accrued interest on the convertible note payable. As of June 30, 2016, the balance outstanding on the Note was $64,400, accrued interest was $3,453 and the loan discount was $60,049.

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January 26, 2016 Securities Purchase Agreement

On January 26, 2016 (the "Effective Date"), the Company entered into a Securities Purchase Agreement (the "SPA") for an $180,000 convertible note with an accredited investor, with an annual interest rate of 7%. The note contains an OID of $18,000 and related legal costs of $6,000. The net proceeds received by the Company were $156,000. The maturity date of the note is January 26, 2017. Interest is due on or before the maturity date. The Company may redeem the note by prepaying the unpaid principal and interest on the note, upon notice, any time prior to 180 days after the Effective Date. If redemption is (i) prior to the 30th day the note is in effect (including the 30th day), the redemption will be 105% of the unpaid principal amount and accrued interest; (ii) if the redemption is on the 31st day up to and including the 60th day the note is in effect, the redemption price will be 115% of the unpaid principle amount of the note along with any accrued interest; (iii) if the redemption is on the 61st day up to and including the 120th day the note is in effect, the redemption price will be 135% of the unpaid principle amount of the note along with any accrued interest; if the redemption is on the 121st day up to and including the 180th day the note is in effect, the redemption price will be 150% of the unpaid principle amount of the note along with any accrued interest. The redemption must be closed and paid for within three business days of the Company sending the redemption demand. The note may not be prepaid and redeemed after the 180th day. The note is convertible into shares of the Company's common stock at any time beginning on the date which is 181 days following the Effective Date. The conversion price is equal to 55% of the lowest trading price of the Company's common stock as reported on the QTCQB for the 10 prior trading days and may include the day of the Notice of Conversion under certain circumstances. The Company agreed to reserve an initial 10,800,000 shares of common stock for conversions under the note (the "Share Reserve"). We also agreed to adjust the Share Reserve to ensure that it always equals at least three times the total number of shares of common stock that is actually issuable if the entire note were to be converted. The note has an embedded conversion option which qualifies for derivative accounting and bifurcation under ASC 815-15 Derivatives and Hedging. Pursuant to ASC 815, the Company will recognize the fair value of the embedded conversion feature as a derivative liability when the Note becomes convertible on July 25, 2016.

The OID interest of $18,000 and related loan costs of $6,000 was recorded as a discount to the note and is being amortized over the life of the loan as interest expense. For the nine months ended June 30, 2016, the discount amortization was $9,876, the loan discount balance was $14,124, the note balance was $180,000 and accrued interest was $5,351.

March 16, 2016 River North Convertible Notes

On March 16, 2016, the Company entered into an Equity Purchase Agreement (the "Purchase Agreement") with River North Equity, LLC ("River North"), pursuant to which the Company may from time to time, in its discretion, sell shares of its common stock to River North for aggregate gross proceeds of up to $5,000,000. Unless terminated earlier, River North's purchase commitment will automatically terminate on the earlier of the date on which River North shall have purchased Company shares pursuant to the Purchase Agreement for an aggregate purchase price of $5,000,000 or March 16, 2018. The Company has no obligation to sell any shares under the Purchase Agreement. See ***Note 10, March 16, 2016 Equity Purchase Agreement and Registration Rights Agreement.***

As partial consideration for the Purchase Agreement, on March 16, 2016, the Company issued to River North a "commitment" convertible promissory note (the "Commitment Note") in the principal amount of $35,000. The Commitment Note accrues interest at a rate of 10% per annum and matures on March 16, 2017. Upon the registration statement contemplated by the Registration Rights Agreement being declared effective, $10,000 of the principle balance of the Commitment Note and accrued interest thereon was extinguished and deemed to have been repaid. At June 30, 2016 the note balance was $25,000 and accrued interest was $726.

After 180 days following the date of the Commitment Note, or earlier upon the occurrence of an event of default that remains uncured, the Commitment Note may be converted into shares of the Company's common stock at the election of River North at a conversion price per share equal 60% of the Current Market Price, which is defined as the lowest closing bid price for the common stock as reported by Bloomberg, LP for the 10 trading days ending on the trading day immediately before the conversion.

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On March 16, 2016, the Company entered into a Securities Purchase Agreement with River North pursuant to which the Company issued a convertible promissory note (the "Bridge Note") to River North, in the original principal amount of $90,000, in consideration of the payment by River North of a purchase price equal to $73,800, with $9,000 retained by River North as original issue discount and $7,200 for related legal and due diligence costs. The Company issued the Bridge Note on March 16, 2016. The Bridge Note accrues interest at a rate of 10% per annum and matures on March 16, 2017. For the nine months ended June 30, 2016, the discount amortization was $4,337, and at June 30, 2016 the loan discount balance was $11,863, the note balance was $90,000 and accrued interest was $2,614.

The Bridge Note provides for conversion rights and events of default on substantially the same terms and conditions as the Commitment Note; provided however that an event of default under the Bridge Note will also be triggered if the Company fails to use at least 15% of the proceeds from each sale of shares under the Purchase Agreement to prepay a portion of the Bridge Note after the conversion date is reached.

Pursuant to the Purchase Agreement and Registration Rights Agreement, on April 11, 2016, the Company filed a Registration Statement on Form S-1 (SEC File No. 333-210686) with the SEC registering the resale of up to 25,000,000 shares of the Company's common stock that may be issued and sold to River North pursuant to the Purchase Agreement. Such Registration Statement was declared effective by the SEC on April 20, 2016, resulting in extinguishment of $10,000 of the principal balance of the Commitment Note and accrued interest thereon.

Components of Notes Payable

The components of the notes payable, including the note payable to a related party, at June 30, 2016 are as follows:

	Principal Amount	Unamortized Discount	Net
CURRENT NOTES PAYABLE:			
Notes payable	$ 946,910	$ (2,990)	$ 943,920
Convertible notes payable	295,000	(25,987)	269,013
Notes payable – related party	30,000	—	30,000
	$ 1,271,910	$ (28,977)	$ 1,242,933
LONG-TERM CONVERTIBLE NOTE PAYABLE:			
Convertible note payable	$ 64,400	$ (60,049)	$ 4,351

The components of the notes payable, including the note payable to a related party, at September 30, 2015 are as follows:

	Principal Amount	Unamortized Discount	Net
CURRENT NOTES PAYABLE:			
Notes payable	$ 1,245,344	$ (77,157)	$ 1,168,187
Notes payable – related party	30,000	(4,438)	25,562
	$ 1,275,344	$ (81,595)	$ 1,193,749

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NOTE 7 – FAIR VALUE MEASUREMENTS

U.S. accounting standards require disclosure of a fair-value hierarchy of inputs the Company uses to value an asset or a liability. In September 2006, the FASB issued new accounting guidance, which establishes a framework for measuring fair value under generally accepted accounting principles (“GAAP”) and expands disclosures about fair value measurements. The Company previously partially adopted this guidance for all instruments recorded at fair value on a recurring basis. In the second quarter of fiscal 2010, the Company adopted the remaining provisions of the guidance for all non-financial assets and liabilities that are not re-measured at fair value on a recurring basis. The adoption of these provisions did not have an impact on the Company’s consolidated financial statements.

Fair value standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the standards establish a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires that the Company maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair-value hierarchy are described as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

The following table sets forth by level with the fair value hierarchy the Company’s assets and liabilities measured at fair value as of:

June 30, 2016	Level 1	Level 2	Level 3	Total
Assets				
None	$ —	$ —	$ —	$ —
Liabilities				
Derivative liabilities	$ —	$ —	$ 231,856	$ 231,856

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Related Party

Since January 2012, Management Resource Initiatives, Inc. (“MRI”) has been managing and overseeing the process of marketing and selling the El Capitan Property and performing other services aimed at furthering the Company's strategic goals pursuant to an unwritten consulting arrangement. Under this arrangement, the Company pays MRI a monthly consulting fee of $15,000. The Company made aggregate payments of $45,000 during fiscal year 2015. Accrued and unpaid fees of $135,000 are recorded in accrued compensation - related parties at September 30, 2015. MRI had accrued and unpaid compensation of $270,000 recorded in accrued compensation – related parties at June 30, 2016. MRI is a corporation that is wholly-owned by John F. Stapleton, a Director of the Company and the prior Chief Financial Officer.

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On February 4, 2015, the Company signed a $30,000 promissory note payable to MRI, which accrues interest at 18% per annum and becomes due and payable on February 4, 2016. As an inducement for the loan represented by the note, the Company issued 200,000 shares of restricted common stock of the Company to MRI. The Company is in process of amending the note under its current terms to extend the maturity date from February 4, 2016 to February 4, 2017.

Purchase Contract with Glencore AG

On March 10, 2014, the Company entered into a life-of-mine off take agreement with Glencore AG ("Glencore") for the sale of iron extracted from mineralized material at the El Capitan Property (such agreement is referred to herein as the "Glencore Purchase Contract"). Under the terms of the Glencore Purchase Contract, the Company agreed to sell to Glencore, and Glencore agreed to purchase from the Company, iron that meets the applicable specifications from the El Capitan Property mine. Payment for the iron is to be made pursuant an irrevocable letter of credit in favor of the Company. The purchase price is based on an index price less an applicable discount. Either party may terminate the Glencore Purchase Contract following a breach by the other party that remains uncured for a specified period after receipt of written notice. Because of current market iron ore prices, the contract has not been implemented or terminated.

Agreements with Logistica U.S. Terminals, LLC

In anticipation of, and in conjunction with, the Glencore Purchase Contract, the Company entered into a Master Services Agreement (the "Master Agreement") and corresponding Iron Ore Processing Agreement (the "Processing Agreement") with Logistica U.S. Terminals, LLC ("Logistica"), each effective as of February 28, 2014. Pursuant to these agreements, Logistica agreed to, among other things, provide the logistics required for the Company to fulfill its obligations under the Glencore Purchase Contract, to assist the Company in financing the costs of processing and delivering iron under the Glencore Purchase Contract, and to provide and/or manage the processing that iron. Because of current market iron ore prices, the contract was not implemented.

The contracts with Logistica were superseded by a new agreement entered into on January 5, 2016. See ***Note 6.***

Master Agreement with Logistica

Under the Master Agreement, the Company agreed that Logistica will be the exclusive logistics agent for the purpose of moving iron extracted from mineralized material at the El Capitan Property from the El Capitan Property to Glencore's designated exporting port or final destination. Logistics services include operational supplement chain management and supervision of all logistics providers and operations from the El Capitan Property mine to the vessel loading port. Logistics services do not include obtaining and maintaining operating, environmental and mining permits, and land and mineral rights, which are the responsibility of the Company. Also under the Master Agreement, Logistica is required to use its best efforts to establish an operating credit line capable of funding all processing and delivery costs and, upon opening and funding such a credit line, will disburse as needed all operating costs contemplated under the Glencore Purchase Contract. The Company is required to reimburse Logistica for all such amounts, without interest, out of payments received from Glencore in respect of the purchase of the iron.

In consideration for Logistica's funding and logistic services, the Company will pay Logistica a percentage of the Company's profits from the sale of iron under the Glencore Purchase Contract. If any sale of iron under the Glencore Purchase Contract results in a loss instead of a profit, as a result of a decrease in index pricing of iron or otherwise, then the Company is required to make up the shortfall out of profits from any precious metals processing and refining business, to the extent of available profits there from, or otherwise. If iron index prices drop below the price in place at inception of the Glencore Purchase Contract by more than 5%, then the Company will be required to provide Logistica with a greater percentage of profits commensurate with and equivalent to Logistica's loss of profit share due to the reduction in iron index prices. At inception of the Glencore Purchase Contract, the Platts 62% FE CFR China iron index price was $121.24 and at June 30, 2016 was approximately $51.00. In the event of a future sale of the El Capitan Property, the Company must either ensure that its agreements with Logistica are assumed by the purchaser or pay Logistica a termination fee.

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Either party may terminate the Master Agreement following a breach by the other party that remains uncured for 60 days after receipt of written notice. The Master Agreement will otherwise continue indefinitely.

Because of current market iron ore prices, the contract has not been implemented and has not been terminated.

The contracts with Logistica were superseded by a new agreement entered into on January 5, 2016. See ***Note 6.***

Processing Agreement with Logistica

Under the Processing Agreement, Logistica has agreed to deliver iron processing equipment to the El Capitan Property and to use it best efforts to process, to contract specification, stock pile and load for delivery iron that the Company has contracted to sell to Glencore under the Glencore Purchase Contract. In order to do so, Logistica will act as the Company's turn-key contractor for all of the Company's iron processing and delivery activities at the El Capitan Property. In consideration for such services, the Company will pay Logistica a set price per metric ton of iron that is processed in accordance with the Glencore Purchase Contract specifications and purchased by Glencore. As additional compensation for entering into the Processing Agreement, the Company issued 4,000,000 shares of common stock to a designee of Logistica under the Company's 2005 Stock Incentive Plan valued at $800,000. The shares vested immediately upon grant and the $800,000 was expensed in full during the fiscal year ended September 30, 2014.

Either party may terminate the Processing Agreement following a breach by the other party that remains uncured for 60 days after receipt of written notice. The Processing Agreement will otherwise continue indefinitely.

Because of the drop in the market iron ore prices under the contract price, the contract has not been implemented during the current fiscal year and has not been terminated as of June 30, 2016.

On January 5, 2016, the Company entered into a new agreement with Logistica U.S. Terminals, LLC ("Logistica"). Under the agreement the Company will provide to Logistica concentrated ore to their specifications at the mine site. Logistica will transport, process, and refine the precious metals concentrates to sell to precious metals buyers. This agreement is in addition to and complements the previously announced agreement for the sale of iron ore for use in construction. The terms of the new agreement provide for the recovery of hard costs related to the concentrates by both parties prior to the distribution of profits. The agreement also provides for the future issuance of 10,000,000 shares of the Company's restricted common stock and the elimination of a $100,000 accrued liability to Logistica for prior services rendered. The issuance date of shares is anticipated to occur in August 2016. The new agreement supersedes the previous agreements with Logistica.

NOTE 9 – 2015 EQUITY INCENTIVE PLAN

On October 8, 2015, the Board of Directors of the Company approved the El Capitan Precious Metals, Inc. 2015 Equity Incentive Plan (the "2015 Plan"). The 2015 Plan enables the Board of Directors to grant to employees, directors, and consultants of the Company and its subsidiaries a variety of forms of equity-based compensation, including grants of options to purchase shares of common stock, shares of restricted common stock, restricted stock units, stock appreciation rights, other stock-based awards and performance-based awards. At the time it was adopted, the maximum number of shares of common stock of the Company that could be issued or awarded under the 2015 Plan was 15,000,000 shares. On October 14, 2015, the Company filed Form S-8 Registration Statement No. 333-207399 with the SEC registering the 15,000,000 shares of common stock authorized for issuance pursuant to the 2015 Plan. On December 15, 2015, the Board of Directors of the Company adopted Amendment No. 1 to the 2015 Plan, pursuant to which the number of shares of common stock issuable under the 2015 Plan was increased from 15,000,000 to 23,000,000. On January 14, 2016, the Company filed Form S-8 Registration Statement No. 333-208991 with the SEC registering the additional 8,000,000 shares of common stock authorized for issuance pursuant to the 2015 Plan. Effective April 22, 2016, the Board of Directors of the Company adopted Amendment No. 2 to the Company's 2015 Equity Incentive Plan (the "2015 Plan") pursuant to which the number of shares of the common stock issuable under the 2015 Plan was increased from 23,000,000 to 28,000,000. On April 27, 2016, the Company filed Form S-8 Registration Statement No. 333-210942 with the SEC registering the additional 5,000,000 shares of common stock authorized for issuance pursuant to the 2015 Plan.

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NOTE 10 – STOCKHOLDERS' EQUITY

March 16, 2016 Equity Purchase Agreement and Registration Rights Agreement

On March 16, 2016, the Company entered into an Equity Purchase Agreement (the "Purchase Agreement") with River North Equity, LLC ("River North"), pursuant to which the Company may from time to time, in its discretion, sell shares of its common stock to River North for aggregate gross proceeds of up to $5,000,000. Unless terminated earlier, River North's purchase commitment will automatically terminate on the earlier of the date on which River North shall have purchased Company shares pursuant to the Purchase Agreement for an aggregate purchase price of $5,000,000 or March 16, 2018. The Company has no obligation to sell any shares under the Purchase Agreement.

As provided in the Purchase Agreement, the Company may require River North to purchase shares of common stock from time to time by delivering a put notice to River North specifying the total purchase price for the shares to be purchased (the "Investment Amount"); provided there must be a minimum of 10 trading days between delivery of each put notice. This arrangement is also sometimes referred to herein as the "Equity Line." The Company may determine the Investment Amount, provided that such amount may not be more than the average daily trading volume in dollar amount for the Company's common stock during the 10 trading days preceding the date on which the Company delivers the applicable put notice. Additionally, such amount may not be lower than $5,000 or higher than $150,000 without prior approval of River North. The number of shares issuable in connection with each put notice will be computed by dividing the applicable Investment Amount by the purchase price for such common stock. River North will have no obligation to purchase shares under the Purchase Agreement to the extent that such purchase would cause River North to own more than 9.99% of the Company's common stock.

For each share of the Company's common stock purchased under the Purchase Agreement, River North will pay a purchase price equal to 85% of the Market Price, which is defined as the average of the two lowest closing bid prices on the OTCQB Marketplace, as reported by Bloomberg Finance L.P., during the five consecutive Trading Days including and immediately prior to the date on which the applicable put notice is delivered to River North (the "Pricing Period"). If the Company is not deposit/withdrawal at custodian ("DWAC") eligible, River North will pay a purchase price equal to 80% of the Market Price, and if the Company is under Depository Trust Company ("DTC") "chill" status, River North will pay a purchase price equal to 75% of the Market Price. On the first trading day after the Pricing Period, River North will purchase the applicable number of shares subject to customary closing conditions, including without limitation a requirement that a registration statement remain effective registering the resale by River North of the shares to be issued pursuant to the Purchase Agreement as contemplated by the Registration Rights Agreement described below.

The Purchase Agreement contains covenants, representations and warranties of the Company and River North that are typical for transactions of this type. In addition, the Company and River North have granted each other customary indemnification rights in connection with the Purchase Agreement. The Purchase Agreement may be terminated by the Company at any time. The Purchase Agreement is not transferable and any benefits attached thereto may not be assigned.

Also on March 16, 2016, in connection with the Purchase Agreement, the Company also entered into a Registration Rights Agreement with River North requiring the Company to prepare and file, within 45 days of the effective date of the Registration Rights Agreement, a registration statement registering the resale by River North of the shares to be issued under the Purchase Agreement for the shares, to use commercially reasonable efforts to cause such registration statement to become effective, and to keep such registration statement effective until (i) three months after the last closing of a sale of shares under the Purchase Agreement, (ii) the date when River North may sell all the shares under Rule 144 without volume limitations, or (iii) the date River North no longer owns any of the shares.

As of June 30, 2016, we have sold 1,166,844 shares of common stock to River North under the 2016 Agreement for aggregate proceeds of $45,995, and have the right, subject to certain conditions, to sell to River North $4,954,005 of newly-issued shares of the Company common stock pursuant to the 2016 Agreement, subject to the satisfaction of applicable closing conditions.

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As consideration for the Purchase Agreement, on March 16, 2016, the Company issued to River North a "commitment" convertible promissory note (the "Commitment Note") and also on this date the Company entered into a Securities Purchase Agreement with River North pursuant to which the Company issued a convertible promissory note (the "Bridge Note") to River North. See **Note 6**, ***March 16, 2016 River North Convertible Notes.***

Pursuant to the Purchase Agreement and Registration Rights Agreement, on April 11, 2016, the Company filed a Registration Statement on Form S-1 (SEC File No. 333-210686) with the SEC registering the resale of up to 25,000,000 shares of the Company's common stock that may be issued and sold to River North pursuant to the Purchase Agreement. Such Registration Statement was declared effective by the SEC on April 20, 2016, resulting in extinguishment of $10,000 of the principal balance of the Commitment Note and accrued interest thereon.

Preferred Stock Issuances

During the nine months ended June 30, 2016, the Company did not issue any shares of preferred stock.

Common Stock Issuances

During the nine months ended June 30, 2016, the Company:

(i) Issued 21,616,700 shares of S-8 common stock to our contract miners at a market value of $1,120,026, including payment of $103,626 for accrued mining cost, payment of $305,703 for services, payment of $664,262 for inventory, and a prepayment of $46,535 for services;

(ii) Issued an aggregate total of 2,494,777 shares of restricted common stock and S-8 common stock for accrued compensation payable to two officers valued at $135,614 on the date of issuances, which resulted in a credit of $15,547 to additional paid-in capital;

(iii) Issued 3,991,820 shares of S-8 common stock for expense payable at a market value of $186,480 on the date of issuance resulting in a gain on the extinguishment of debt of $31,070;

(iv) Issued 7,272,728 shares of restricted common stock to two investors for the retirement of notes payable at a market value of $402,673 on the date of issuance resulting in a loss on the extinguishment of debt of $94,691;

(v) Issued to two lenders in connection with a loan extension, 75,000 shares each of restricted common stock with an aggregate market value of $4,858 on the date of issuance;

(vi) Issued 1,166,844 shares of common stock under the 2016 Agreement with River North and received cash proceeds of $45,995; and

(vii) Issued 2,879,127 shares of restricted common stock for partial conversion of a note principal and accrued interest aggregating $52,256.

Options

Aggregate options expense recognized was $22,367 for the nine months ended June 30, 2016.

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During the nine months ended June 30, 2016, the Company:

(i) Granted to two new directors of the Company, pursuant to the 2015 Plan, each a 10-year stock option to purchase 250,000 shares of the Company's common stock, all of which vested immediately, at an exercise price of $0.05 per share for 250,000 options and the other 250,000 options at $0.062 per share. The fair value of the options was determined to be $22,367 using the Black-Scholes Option Pricing Model and was expensed as warrant and option costs during the nine months ended June 30, 2016.

Warrants

During the nine months ended June 30, 2016, the following transactions occurred with respect to warrants of the Company:

(i) In connection with the extension of the due date on the October 17, 2014 promissory note from January 17, 2016 to September 19, 2016, the Company issued 471,429 fully vested three year warrants to purchase 471,429 shares of common stock of the Company at an exercise price of $0.051 per share. The fair value of the warrants was determined to be $16,775 using the Black-Scholes Option Pricing Model and was expensed as a loss on extinguishment of debt during the nine months ended June 30, 2016.

The Company utilizes the Black-Scholes Option Pricing Model to estimate the fair value of its warrant and option awards. The following table summarizes the significant assumptions used in the model during the nine months ended June 30, 2016:

Exercise prices	$0.01815 - $0.17
Expected volatilities	105.107% - 139.770%
Risk free interest rates	0.505% - 1.68%
Expected terms	1.3 – 5.0 years
Expected dividends	—

Stock option activity, both within and outside the 2015 Plan, and warrant activity for the nine months ended June 30, 2016, are as follows:

	Stock Options		Stock Warrants	
	Shares	Weighted Average Price	Shares	Weighted Exercise Price
Outstanding at September 30, 2015	10,387,500	$ 0.28	4,861,344	$ 0.073
Granted	500,000	0.056	471,429	0.051
Canceled	—	—	—	—
Expired	—	—	—	—
Exercised	—	—	—	—
Outstanding at June 30, 2016	10,887,500	$ 0.27	5,332,773	$ 0.071
Exercisable at June 30, 2016	10,887,500	$ 0.27	5,332,773	$ 0.071

The range of exercise prices and remaining weighted average life of the options outstanding at June 30, 2016 were $0.05 to $1.02 and 5.0 years, respectively. The aggregate intrinsic value of the outstanding options at June 30, 2016 was $0.

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The range of exercise prices and remaining weighted average life of the warrants outstanding at June 30, 2016 were $0.051 to $0.17 and 2.15 years, respectively. The aggregate intrinsic value of the outstanding warrants at June 30, 2016 was $0.

The Company adopted its 2015 Incentive Equity Plan (the "2015 Plan") pursuant to which the Company reserved and registered 28,000,000 shares for stock and option grants. As of June 30, 2016, there were 1,196,703 shares available for grant under the 2015 Plan, excluding the 10,887,500 options outstanding.

NOTE 11 – SUBSEQUENT EVENTS

Election of Director

Effective July 7, 2016, the Board elected Daniel G. Martinez to serve as a director of the Company. Upon his election to the Board, the Company granted Mr. Martinez a ten year option to purchase up to 250,000 shares of the Company's common stock with an exercise price equal to $0.042 per share, the closing price of the Company's common stock on the grant date. The option was vested in its entirety upon grant.

Amendment to Restated Bylaws of the Company

On July 15, 2016, the Board of Directors of the Company approved the adoption of Amendment No. 1 (the "Amendment") to the Restated Bylaws of the Company. The Amendment was summarized in the Company's Current Report on Form 8-K filed July 21, 2016. The full text of the Amendment was filed as Exhibit 3.1 to such report. The Restated Bylaws are filed herewith as Exhibit 3.5.

Amendment to 2015 Equity Incentive Plan

Effective August 4, 2016, the Board of Directors of the Company adopted Amendment No. 3 to the Company's 2015 Equity Incentive Plan (the "2015 Plan") pursuant to which the number of shares of the common stock issuable under the 2015 Plan was increased from 28,000,000 to 50,000,000. A copy of Amendment No. 3 to the 2015 Plan is attached as Exhibit 10.1 to the Current Report on Form 8-K filed by the Company on August 5, 2016 and is incorporated by reference herein. On August 8, 2016, the Company filed Form S-8 Registration Statement No. 333- 212972 with the SEC registering the additional 22,000,000 shares of common stock authorized for issuance pursuant to the 2015 Plan.

River North 2016 Agreement

Subsequent to the quarter ended June 30, 2016 and prior to the filing of this report, the Company issued 4,821,139 shares of common stock under the 2016 Agreement with River North and received cash proceeds of $190,128.

December 2, 2015 Securities Purchase Agreement

Subsequent to quarter ended June 30, 2016 and prior to the filing of this report, the investor converted the remaining note balance of $64,400 and accrued interest of $3,560 into 3,462,228 shares of common stock.

January 26, 2016 Securities Purchase Agreement

Upon the note becoming convertible in the period subsequent to the quarter ended June 30, 2016, the investor converted the principal balance of $180,000 and accrued interest of $6,662 into 9,506,619 shares of restricted common stock.

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January 5, 2016 Logistica Agreement

On July 7, 2016, the Company issued 1,000,000 shares of S-8 common stock pursuant to the terms of the January 5, 2016 agreement with Logistica.

On August 8, 2016, the Company issued 9,000,000 shares of S-8 common stock pursuant to the terms of the January 5, 2016 agreement with Logistica.

Other Stock Issuances

On August 4, 2016, the Company issued 500,000 shares of restricted common stock to a creditor for carrying a significant balance.

On August 8, 2016, the Company issued 5,910,142 shares of S-8 common stock to our contract miner for services incurred under the mining contract.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim consolidated financial statements and related notes which are included in Item 1 of this Quarterly Report on Form 10-Q, and with our audited financial statements and the "Risk Factors" section included in our Form 10-K for the fiscal year ended September 30, 2015, filed with the U.S. Securities and Exchange Commission ("SEC") on January 11, 2016.

Company Overview; Recent Developments

The Company is an exploration stage company as defined by the SEC's Industry Guide 7 as the Company has no established reserves as required under Industry Guide 7. We have owned interests in several properties located in the southwestern United States in the past. We are principally engaged in the exploration of precious metals and other minerals on the El Capitan property located near Capitan, New Mexico (the "El Capitan Property"). We have recorded nominal revenues in the nine months ended June 30, 2016 consisting of revenue for test loads of iron ore to a construction contractor.

We commenced planned mineral exploration activity in the quarter ended December 2015 under our modified mining permit. However, we have not yet demonstrated the existence of proven or probable reserves at our El Capitan Property. As a result, and in accordance with accounting principles generally accepted in the United States for exploration stage companies, all expenditures for exploration and evaluation of our property are expensed as incurred.

Basis of Presentation and Going Concern

The Company's consolidated financial statements are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"), and have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company currently has a minimum source of revenue to cover its costs. The Company has incurred a loss of $1,272,698 for the nine months ended June 30, 2016 and has a working capital deficit of $1,537,932 as of June 30, 2016. The negative working capital position includes a noncash derivative instrument liability of $231,856. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

To continue as a going concern, the Company is dependent on achieving cash flow and generating future profits from entering the production stage of operations. The Company does not have adequate liquidity to fund its current operations, meet its obligations and continue as a going concern. The Company has secured working capital loans as set forth below to assist in financing its activities in the near term.

Loan Date	Net Proceeds
December 2015	$ 92,000
January 2016	156,000
March 2016	73,800

The Company is also pursuing other financing alternatives, including short-term operational strategic financing or equity financing, to fund its activities until it can achieve cash flow and profits from its operations. See ***Note 6*** for additional information.

On March 16, 2016, the Company entered into an Equity Purchase Agreement (the "Purchase Agreement") and a related Registration Rights Agreement with River North Equity, LLC ("River North"), pursuant to which the Company may from time to time, in its discretion, sell shares of its common stock to River North for aggregate gross proceeds of up to $5,000,000, subject to the conditions set forth in the Purchase Agreement. As of June 30, 2016, we had sold shares of common stock to River North under the Purchaser Agreement for aggregate proceeds of $45,995. Subsequent to June 30, 2016 and prior to the filing of this report, the Company sold additional shares of common stock to River North under the Purchase Agreement for additional aggregate proceeds of $190,128. As of the filing of this report, we have the right, subject to certain conditions, to sell to River North newly-issued shares of the Company common stock pursuant to the 2016 Purchase Agreement for additional aggregate proceeds of $4,763,877, subject to the satisfaction of applicable closing conditions. See ***Note 10, March 16, 2016 Equity Purchase Agreement and Registration Rights Agreement.***

The Company is also pursuing other financing alternatives, including short-term operational strategic financing or equity financing, to fund its activities until it can achieve cash flow and future profits from its operations. See "***Financial Condition, Liquidity and Capital Resources,***" below.

The Company's consolidated financial statements do not include any adjustment relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

RESULTS OF OPERATIONS

Three Months Ended June 30, 2016 and 2015

Revenues

We realized no revenue from exploration activities on deliveries of iron ore during the three months ended June 30, 2016. No revenues were recorded during the comparable prior year period.

Expenses and Net Loss

Our operating expenses increased $4,000 from $388,779 for the three months ended June 30, 2015 to $392,779 for the three months ended June 30, 2016. The increase is mainly attributable to increases in mining and exploration costs of $111,51 and legal and accounting expense of $10,502. These increases were offset by a decrease in other general and administrative expenses of $116,656. The decrease consists mainly of decreases in costs associated with options and warrants of $39,795, financing cost of $67,550 and a reclassification of depreciation expense of $16,435. The depreciation was charged to this category in the prior reporting period and in the current period related mine depreciation is charged to mine and exploration costs. The increase in legal was incurred for services provided in connection with negotiating and documenting the Purchase Agreement and Registration Rights Agreement entered into on March 16, 2016 with River North and related SEC filings.

Our net loss for the three months ended June 30, 2016 increased to $543,086 from a net loss of $496,381 incurred for the comparable three month period ended June 30, 2015. The increase in net loss of $46,705 for the current period is mainly attributable to the increases in other expenses of $42,705. The increase in other expenses is mainly comprised by the increase in loss on derivatives of $82,256, and offset by increase in gain on debt extinguishment of $20,648 and decrease in interest expense of $18,903.

Nine Months Ended June 30, 2016 and 2015

Revenues

We realized nominal revenue from exploration activities on deliveries of iron ore test loads to a construction contractor for material approval during the nine months ended June 30, 2016. No revenues were recorded during the comparable prior year period.

Expenses and Net Loss

Our operating expenses decreased $463,520, from $1,504,528 for the nine months ended June 30, 2015 to $1,041,008 for the nine months ended June 30, 2016. The decrease is mainly attributable a decrease in other general and administrative expenses of $648,323 and offset by an increases in mine and exploration costs of $103,906 and legal and accounting expenses of $85,126. The decrease in general and administrative expenses are mainly attributable to decreases in costs associated with warrant and option costs of $503,226, stock compensation of $67,550, depreciation of $42,347 charged to this category in the prior reporting period, while in the current period mine associated depreciation is charged to mine and exploration costs, travel and food of $20,316 and stockholder meeting costs of $10,509. These cost decreases were offset by the increase in legal costs incurred of $88,364. The increased legal costs were incurred for services related to our new 2015 Incentive Equity Plan, legal work related to new contract agreements, two convertible financing facilities and the Purchase Agreement and Registration Rights Agreement entered into on March 16, 2016 with River North and the related SEC filings.

Our net loss for the nine months ended June 30, 2016 decreased to $1,272,698 from a net loss of $1,774,639 incurred for the comparable nine month period ended June 30, 2015. The decrease in net loss of $501,941 for the current period is mainly attributable to the decreases in net operating expenses and a decrease in other expenses of $38,711. The decrease in other expenses is mainly comprised of an increase of a non-cash loss on extinguishment of debt of $80,396, a decrease in interest expense of $46,709, and a non-cash gain on derivative instruments of $72,467.

Financial Condition, Liquidity and Capital Resources

As of June 30, 2016, we had cash on hand of $62,425 and a working capital deficit of $1,537,432. Based upon our budgeted burn rate, we currently have operating capital for approximately one and a half months. The Company has historically relied on equity or debt financings to finance its ongoing operations and currently has a minimum source of revenue to cover our operational costs. Currently the Company has access to funds under the Purchase Agreement with River North. Subject to the terms and conditions of the Purchase Agreement, we have the right to "put," or sell, up to $5,000,000 worth of shares of our common stock to River North. Unless terminated earlier, River North's purchase commitment will automatically terminate on the earlier of the date on which River North shall have purchased shares pursuant to the Purchase Agreement for an aggregate purchase price of $5,000,000 or March 16, 2018. We have registered 25,000,000 shares for resale by River North under a registration statement on Form S-1 that was declared effective by the SEC on April 20, 2016. As of the filing of this report, we have sold 5,987,983 shares of common stock to River North under the Purchaser Agreement for aggregate proceeds of $236,123, and have the right, subject to applicable conditions, to sell to River North additional shares of our common stock for up to an additional proceeds of up to $4,763,877.

Current conditions raise substantial doubt about our ability to continue as a going concern. To continue as a going concern, we are dependent on achieving cash flow and generating future profits from entering the production stage of operations, the ability to receive funds timely under the Purchase Agreement with River North or obtaining short-term operational strategic financing alternatives or equity infusion. We do not have adequate liquidity to fund its current operations, meet its obligations and continue as a going concern.

Currently we anticipate funding our future operations from a potential revolving credit line associated with our new agreements with Logistica, our recent financing activities described below, and sales of mineralized materials and precious metals under our agreements with Logistica. However, unless and until we commence sales and shipments under the aforementioned contracts, and/or enter similar agreements for the purchase of mineralized material, and produce sufficient cash flow from future revenues, we will continue to rely on Purchase Agreement with River North and/or other debt or equity financing to fund our current operations.

During the nine months ended June 30, 2016, we utilized net cash flow of $400,568. Net cash funds received during the nine month period ended June 30, 2016, were net proceeds of $321,800 from three convertible notes, finance contract increases for insurance premiums aggregating $32,773 and $45,995 from the sale of common stock. Our current financing arrangements are summarized below under the caption *"Recent Financing Activities."*

Recent Financing Activities

Agreements with Logistica U.S. Terminals, LLC

Under an agreement with Logistica U.S. Terminals, LLC ("Logistica") dated February 28, 2014, Logistica agreed to remit a $400,000 payment on the Company's behalf that represented the remaining balance of the Company's purchase price for a heavy ore trailing separation line to be used for processing of mineralized material at the El Capitan Property mine site. The Company previously remitted $100,000 toward the purchase of such equipment. In consideration for Logistica remitting such payment, the Company agreed to deliver a $400,000 promissory note to Logistica and issued 2,500,000 shares of common stock to a designee of Logistica under the Company's 2005 Stock Incentive Plan. The promissory note accrues interest at 4.5%, with principal and accrued interest payments to be made out of the Company's proceeds from sale of iron extracted from mineralized material as part of the Company's exploration activities. The relative fair value of the common stock was determined to be $222,222 and was recorded as a discount to the promissory note that was amortized to interest expense over the expected life of the note through August 31, 2015. During the fiscal year ended September 30, 2015, amortization expense of $158,559 was recognized. The outstanding balance under this note payable was $400,000 and the unamortized discount on the note payable was $0 as of June 30, 2016. Accrued interest on the note at June 30, 2016 was $42,066.

On January 5, 2016, we entered into our current agreement with Logistica U.S. Terminals, LLC ("Logistica"). Under the agreement we will provide to Logistica concentrated ore to their specifications at the mine site. Logistica will transport, process, and refine the precious metals concentrates to sell to precious metals buyers. The terms of the new agreement provide for the recovery of hard costs related to the concentrates by both parties prior to the distribution of profits. The agreement also provides for the future issuance of 10,000,000 shares of our restricted common stock and the elimination of a $100,000 accrued liability to Logistica for prior services rendered. When certain terms and conditions are met, the Agreement calls for Logistica to arrange for a letter of credit for working capital for the mining, processing and sale activities under the Agreement. The issuance date of the shares is anticipated to occur in late August 2016. The new agreement supersedes the previous agreements with Logistica.

October 17, 2014 Note and Warrant Purchase Agreement

On October 17, 2014, we entered into a private Note and Warrant Purchase Agreement with an accredited investor pursuant to which we borrowed $500,000 against delivery of a promissory note (the "2014 Note") in such amount and issued warrants to purchase 882,352 shares of our common stock pursuant to the Note and Warrant Purchase Agreement. The promissory note carries an interest rate of 8% per annum, was initially due on July 17, 2015 and is secured by a first priority security interest in all right, title and interest of the Company in and to the net proceeds received by the Company from its sale of tailings separated from iron recovered by the Company at the El Capitan Property. On August 24, 2015, the 2014 Note was mutually extended from July 17, 2015 to January 17, 2016. In consideration of the extension, the Company amended the common stock purchase warrant to purchase 4,714,286 shares (subject to adjustment) of our common stock at an exercise price of $0.07 per share. The warrant dated October 17, 2014 was cancelled. On January 19, 2016, the amended 2014 Note was extended from January 17, 2016 to September 19, 2016. In consideration of the extension, we issued to the investor a fully vested three year common stock purchase warrant to purchase 471,429 shares (subject to adjustment) of common stock of the Company at an exercise price of $0.051 per share, the closing price on the date of the agreed extension agreement. The fair value of the warrants was determined to be $16,775 using Black-Scholes option price model and was expensed during the three months ended March 31, 2016. As of June 30, 2016, the outstanding balance under the amended 2014 Note is $500,000 and accrued interest was $8,109.

February 4, 2015 Unsecured Promissory Notes

On February 4, 2015, we issued unsecured promissory notes in the aggregate principal amount of $63,000. Outstanding amounts under these notes accrue interest at 18% per year, with all principal and accrued interest being due and payable on February 4, 2016. As additional consideration for the loan, we issued 200,000 shares of our restricted common stock for each note for a total of 400,000 shares. The relative fair value of the common stock was determined to be $21,211 and was recorded as discounts to the promissory notes was amortized to interest expense over the life of the notes. On February 4, 2016, one of the promissory notes was amended to extend the maturity date from February 4, 2016 to February 4, 2017 and reduced the interest rate to 10% per year. The Company also agreed to add the accrued interest on the note at February 4, 2016 of $5,940 to the principle of the note. In consideration of the amendment, the Company agreed to issue an aggregate 150,000 shares of restricted common stock of the Company to the lenders and the Board of Directors approved the issuance on April 22, 2016. One of the lenders is affiliated with the Company and provided $30,000 of the original $63,000 loaned funds. See ***Note 2***. Our obligations under both notes were personally guaranteed by the Company's director and Chief Executive Officer.

During the nine months ended June 30, 2016, aggregate amortization expense of $10,844 was recognized, the aggregate outstanding balance under these notes was $68,940, accrued interest was $9,360 and the unamortized discounts on the notes payable was $2,990.

April 16, 2015 Installment Loan

On April 16, 2015, we entered into an agreement with a third party financing source pursuant to which the lender committed to loan the Company a total of $200,000 in installments. Installments on this loan have been advanced as follows:

Installment Date		Amount
April 17, 2015	$	50,000
May 15, 2015	$	50,000
June 16, 2015	$	25,000
July 20, 2015	$	25,000
August 18, 2015	$	25,000
September 18, 2015	$	25,000

The loan accrued interest at 10% per year, with all principal and accrued interest being due and payable on April 17, 2016. To secure the loan, we granted the lender a security interest in the AuraSource heavy metals separation system located on the El Capitan Property. As additional consideration for the loan, the Company issued 3,000,000 shares of our restricted common stock to the note holder. The note, including a portion of accrued interest of $7,500, was satisfied in its entirety in December 2015 in exchange for 3,772,728 restricted shares of our common stock. The note and accrued interest retired aggregated $207,500 and the fair value of the stock was $215,423. The Company recorded a loss on the debt conversion of $7,923. At June 30, 2016, unpaid accrued interest remained of $2,466.

Financing of Insurance Premiums

On July 14, 2015, we entered into an agreement to finance a portion of its insurance premiums in the amount of $15,116 at an interest rate of 8.76% with equal payments of $1,573, including interest, due monthly beginning July 14, 2015 and continuing through April 14, 2016. In August 2015, an increase in premium of $1,876 occurred due an increase in coverage and the remaining payments increased to $1,815. As of June 30, 2016, the outstanding balance under this note payable was $0.

On November 19, 2015, we entered into an agreement to finance director and officer insurance premiums in the amount of $26,031 at an interest rate of 7.05% with equal payments of $2,688, including interest, due monthly beginning December 21, 2015 and continuing through September 21, 2016. As of June 30, 2016, the outstanding balance under this note payable was $7,970.

On December 31, 2015, we entered into an agreement to finance additional insurance premiums in the amount of $6,742 at an interest rate of 8.752% with equal payments of $2,283, including interest, due monthly beginning February14, 2016 and continuing through April 14, 2016. As of June 30, 2016, the outstanding balance under this note payable was $0.

August 31, 2015 Working Capital Loan

On August 31, 2015, we entered into an agreement with a third party financing source pursuant to which the lender committed to loan the Company $100,000 for working capital. As an incentive for the financing, we issued 2,000,000 shares of restricted common stock. The investor decided not to accept the shares because of income tax implications and they were returned to our transfer agent and returned to the treasury. The agreement had an annual interest rate of 2% and was due November 15, 2015. The agreement provided for payment of one-half (1/2) of the gross revenues that the Company may receive from its mining activities towards the principal and accrued interest. The note, including accrued interest, was satisfied in its entirety in December 2015 in exchange for 3,500,000 restricted shares of the Company’s common stock. The principal and accrued interest retired aggregated $100,482 and the fair value of the stock was $187,250. The Company recorded a loss on the debt conversion of $86,768.

December 2, 2015 Securities Purchase Agreement

On December 2, 2015, we entered into a Securities Purchase Agreement for two $114,400 convertible notes with an accredited investor for an aggregate principal amount of $228,800 with an annual interest rate of 9%. Each note contains an original issue discount (“OID”) of $10,400 and related legal and due diligence costs of $12,000. The net proceeds from the first note received by the Company was $92,000. The second note was cancelled. The maturity date on the first note is December 2, 2017. An amendment to the note on January 12, 2016, allows us to prepay in full the unpaid principal and interest on the note, upon notice, any time prior to June 3, 2016. Any prepayment is at 140% face amount outstanding and accrued interest. The redemption must be closed and paid for within three business days of the Company sending the redemption demand. The note may not be prepaid after the June 2, 2016. The note is convertible into shares of the Company’s common stock at any time beginning on May 30, 2016. The conversion price is equal to 55% of the lowest trading price of our common stock as reported on the QTCQB for the 10 prior trading days (and may include the day of the Notice of Conversion under certain circumstances). We agreed to reserve an initial 5,033,000 shares of common stock for conversions under the note. We also agreed to adjust the share reserve to ensure that it equals at least four times the total number of shares of common stock issuable upon conversion of the note from time to time. The Company currently has shares on reserve for the convertible note. We recognized the fair value of the embedded conversion feature as a derivative liability on June 9, 2016 of $136,276.

The note contained an embedded conversion option and was separated from the Note and accounted for as a derivative instrument at fair value and discount to the Note and is expensed over the life of the Note under the effective interest method. The initial carrying value of the of the embedded conversion option exceeded the net proceeds received and created a derivative loss of $$132,068 in the period ending December 31, 2015. The Company recorded a loan discount of $114,400 and the discount included OID interest of $10,400 and related loan costs of $12,000. For the nine months ended June 30, 2016, the discount amortization was $54,351. On June 9, 2016, we issued 2,878,127 shares of common stock to the investor in satisfaction of $50,000 principal and $2,256 in accrued interest on the convertible note payable. As of June 30, 2016, the balance outstanding on the Note was $64,400, accrued interest was $3,453 and the loan discount was $60,049. As of the filing of this report, the investor had converted the balance of the principal and accrued interest of $3,742, and we issued 3,462,228 shares of common stock to the investor.

January 26, 2016 Securities Purchase Agreement

On January 26, 2016 (the “Effective Date”), we entered into a Securities Purchase Agreement (the “SPA”) for an $180,000 convertible note with an accredited investor, with an annual interest rate of 7%. The note contains an OID of $18,000 and related legal costs of $6,000. The net proceeds received by the Company were $156,000. The maturity date of the note is January 26, 2017. Interest is due on or before the maturity date. We may redeem the note by prepaying the unpaid principal and interest on the note, upon notice, any time prior to 180 days after the Effective Date. If redemption is (i) prior to the 30th day the note is in effect (including the 30th day), the redemption will be 105% of the unpaid principal amount and accrued interest; (ii) if the redemption is on the 31st day up to and including the 60th day the note is in effect, the redemption price will be 115% of the unpaid principle amount of the note along with any accrued interest; (iii) if the redemption is on the 61st day up to and including the 120th day the note is in effect, the redemption price will be 135% of the unpaid principle amount of the note along with any accrued interest; if the redemption is on the 121st day up to and including the 180th day the note is in effect, the redemption price will be 150% of the unpaid principle amount of the note along with any accrued interest. The redemption must be closed and paid for within three business days of the Company sending the redemption demand. The note may not be prepaid and redeemed after the 180th day. The note is convertible into shares of the Company’s common stock at any time beginning on the date which is 181 days following the Effective Date. The conversion price is equal to 55% of the lowest trading price of our common stock as reported on the QTCQB for the 10 prior trading days and may include the day of the Notice of Conversion under certain circumstances. The Company agreed to reserve an initial 10,800,000 shares of common stock for conversions under the note (the “Share Reserve”). We also agreed to adjust the Share Reserve to ensure that it always equals at least three times the total number of shares of common stock that is actually issuable if the entire note were to be converted. The note has an embedded conversion option which qualifies for derivative accounting and bifurcation under ASC 815-15 *Derivatives and Hedging*. Pursuant to ASC 815, the Company will recognize the fair value of the embedded conversion feature as a derivative liability when the Note becomes convertible on July 25, 2016.

The OID interest of $18,000 and related loan costs of $6,000 was recorded as a discount to the note and is being amortized over the life of the loan as interest expense. For the nine months ended June 30, 2016, the discount amortization was $9,876, the loan discount balance was $14,124, the note balance was $180,000 and accrued interest was $5,351.

Upon the note becoming convertible in the period subsequent to the quarter ended June 30, 2016, the investor converted the principal balance of $180,000 and accrued interest of $6,662 into 9,506,619 shares of restricted common stock.

March 16, 2016 Purchase Agreement and Registration Rights Agreement

On March 16, 2016, we entered into the Purchase Agreement with River North, pursuant to which we may from time to time, in our discretion, sell shares of its common stock to River North for aggregate gross proceeds of up to $5,000,000. Unless terminated earlier, River North's purchase commitment will automatically terminate on the earlier of the date on which River North shall have purchased Company shares pursuant to the Purchase Agreement for an aggregate purchase price of $5,000,000 or March 16, 2018. We have no obligation to sell any shares under the Purchase Agreement.

As provided in the Purchase Agreement, the Company may require River North to purchase shares of common stock from time to time by delivering a put notice to River North specifying the total purchase price for the shares to be purchased (the "Investment Amount"); provided there must be a minimum of 10 trading days between deliveries of each put notice. The minimum trading days between delivery of put notices may be adjusted downward at the discretion of River North from time to time. Currently the time between the put notices is five (5) days. This arrangement is also sometimes referred to herein as the "Equity Line." We may determine the Investment Amount, provided that such amount may not be more than the average daily trading volume in dollar amount for the Company's common stock during the 10 trading days preceding the date on which the Company delivers the applicable put notice. Additionally, such amount may not be lower than $5,000 or higher than $150,000 without prior approval of River North. The number of shares issuable in connection with each put notice will be computed by dividing the applicable Investment Amount by the purchase price for such common stock. River North will have no obligation to purchase shares under the Purchase Agreement to the extent that such purchase would cause River North to own more than 9.99% of the Company's common stock.

For each share of the our common stock purchased under the Purchase Agreement, River North will pay a purchase price equal to 85% of the Market Price, which is defined as the average of the two lowest closing bid prices on the OTCQB Marketplace, as reported by Bloomberg Finance L.P., during the five consecutive Trading Days including and immediately prior to the date on which the applicable put notice is delivered to River North (the "Pricing Period"). If we are not deposit/withdrawal at custodian ("DWAC") eligible, River North will pay a purchase price equal to 80% of the Market Price, and if the Company is under Depository Trust Company ("DTC") "chill" status, River North will pay a purchase price equal to 75% of the Market Price. On the first trading day after the Pricing Period, River North will purchase the applicable number of shares subject to customary closing conditions, including without limitation a requirement that a registration statement remain effective registering the resale by River North of the shares to be issued pursuant to the Purchase Agreement as contemplated by the Registration Rights Agreement described below.

The Purchase Agreement contains covenants, representations and warranties of the Company and River North that are typical for transactions of this type. In addition, the Company and River North have granted each other customary indemnification rights in connection with the Purchase Agreement. The Purchase Agreement may be terminated by the Company at any time. The Purchase Agreement is not transferable and any benefits attached thereto may not be assigned.

Also on March 16, 2016, in connection with the Purchase Agreement, we also entered into a Registration Rights Agreement with River North requiring the Company to prepare and file, within 45 days of the effective date of the Registration Rights Agreement, a registration statement registering the resale by River North of the shares to be issued under the Purchase Agreement for the shares, to use commercially reasonable efforts to cause such registration statement to become effective, and to keep such registration statement effective until (I) three months after the last closing of a sale of shares under the Purchase Agreement, (ii) the date when River North may sell all the shares under Rule 144 without volume limitations, or (iii) the date River North no longer owns any of the shares.

Pursuant to the Purchase Agreement and Registration Rights Agreement, on April 11, 2016, we filed a Registration Statement on Form S-1 (SEC File No. 333-210686) with the SEC registering the resale of up to 25,000,000 shares of the Company's common stock that may be issued and sold to River North pursuant to the Purchase Agreement. Such Registration Statement was declared effective by the SEC on April 20, 2016, resulting in extinguishment of $10,000 of the principal balance of the Commitment Note and accrued interest thereon.

As partial consideration for the above-mentioned agreements, on March 16, 2016, we issued to River North a "commitment" convertible promissory note (the "Commitment Note") in the principal amount of $35,000. The Commitment Note accrues interest at a rate of 10% per annum and matures on March 16, 2017. Upon the registration statement contemplated by the Registration Rights Agreement being declared effective, $10,000 of the principle balance of the Commitment Note and accrued interest thereon was extinguished and deemed to have been repaid. At June 30, 2016 the note balance was $25,000 and accrued interest was $726.

After 180 days following the date of the Commitment Note, or earlier upon the occurrence of an event of default that remains uncured, the Commitment Note may be converted into shares of the Company's common stock at the election of River North at a conversion price per share equal 60% of the Current Market Price, which is defined as the lowest closing bid price for the common stock as reported by Bloomberg, LP for the 10 trading days ending on the trading day immediately before the conversion.

On March 16, 2016, we entered into a Securities Purchase Agreement with River North pursuant to which the Company issued a convertible promissory note (the "Bridge Note") to River North, in the original principal amount of $90,000, in consideration of the payment by River North of a purchase price equal to $73,800, with $9,000 retained by River North as original issue discount and $7,200 for related legal and due diligence costs. The Company issued the Bridge Note on March 16, 2016. The Bridge Note accrues interest at a rate of 10% per annum and matures on March 16, 2017. For the nine months ended June 30, 2016, the discount amortization was $4,337, and at June 30, 2016 the loan discount balance was $11,863, the note balance was $90,000 and accrued interest was $2,614.

The Bridge Note provides for conversion rights and events of default on substantially the same terms and conditions as the Commitment Note; provided however that an event of default under the Bridge Note will also be triggered if the Company fails to use at least 15% of the proceeds from each sale of shares under the Purchase Agreement to prepay a portion of the Bridge Note after it becomes convertible.

Likelihood of Accessing the Full Amount of the Equity Line

Notwithstanding that the Equity Line is in an amount of $5,000,000, we anticipate that the actual likelihood that we will be able access the full $5,000,000 may be low due to several factors, including that our ability to access the Equity Line is impacted by our average daily trading volume, which may limit the maximum dollar amount of each put we deliver to River North, and our stock price. If the price of our stock remains at $0.075 per share (which represents the average of the high and low reported sales prices of our common stock on August 8, 2016), the sale by the selling stockholder of all 25,000,000 of the shares registered would mean we had sold $1,448,139 of shares to the selling stockholder. Our use of the Equity Line will continue to be limited and restricted if our share trading volume or market price of our stock continue at their current levels or decrease further in the future from the volume and stock prices reported over the past year.

In addition, we may have to increase the number of our authorized shares in order to issue the shares to River North if we reach our current amount of authorized shares of common stock. Increasing the number of our authorized shares will require board and stockholder approval. Further, our ability to issue shares in excess of the 25,000,000 shares covered by the registration statement will be subject to our filing a subsequent registration statement with the SEC and the SEC declaring it effective.

Factors Affecting Future Financing Activities

Our only committed source of future financing is under the Purchase Agreement with River North. To the extent that we are required to raise additional capital, we do not know whether it will be available on terms favorable or acceptable to us when needed, if at all. To the extent that we raise additional capital by issuing equity securities, our stockholders may experience dilution. In addition, we may grant future investors rights superior to those of our existing stockholders. If we raise additional funds by incurring debt, we could incur significant interest expense and become subject to covenants in the related transaction documentation that could affect the manner in which we conduct our business. If adequate additional capital is not available when required, we may be forced to reduce or eliminate our exploration activities and our marketing efforts for the sale of the El Capitan Property, or suspend our operations entirely.

During the nine months ended June 30, 2016, we utilized net cash flow of $400,568. Net cash funds received during the nine month period ended June 30, 2016, were net proceeds of $321,800 from three convertible notes, finance contract increases for insurance premiums aggregating $32,773 and $45,995 from the sale of common stock.

Factors Affecting Future Mineral Exploration Results

We have generated no material revenues to date, other than nominal revenues from test deliveries of iron ore, interest income and miscellaneous revenue from the sale of two dore' bars, since inception. As a result, we have only a limited history upon which to evaluate our future potential performance. Our potential must be considered by evaluation of all risks and difficulties encountered by exploration companies which have not yet established business operations and anticipated results and situations of entering active exploration activities.

The price of gold and silver has experienced increases and decreases in value over the past five years. A historical chart of their respective prices is contained in ***Item 1***, the "***Business***" portion of our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, filed with the U.S. Securities and Exchange Commission on January 11, 2016. Beginning in April 2013, the price of gold and silver has experienced a downward swing. A significant permanent drop in the price of gold, silver or other precious metals may have a material adverse effect on the future results of potential exploration activities and the opportunity to market the sale of the El Capitan Property and the potential future revenue derived from the sale of concentrates. The El Capitan Property is an open pit mine with lower production costs and a material increase in costs associated with the recovery of precious metals may also cause a material adverse effect on the financial success of the Company and our ability to market the sale of the El Capitan Property.

Time delays in obtaining the necessary approvals from the various governmental agencies, both federal and state, and weather conditions have caused delays in the deployment of our strategic business plan in 2016, all of which are not under our control, in achieving our strategic business plan and current plan of operation.

Off-Balance Sheet Arrangements

During the three months ended June 30, 2016, we did not engage in any off-balance sheet arrangements set forth in Item 303(a)(4) of Regulation S-K.

Contractual Obligations

As of June 30, 2016, we had no contractual obligations (including long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations and other long-term liabilities reflected on our balance sheet under GAAP) that are expected to have an adverse effect on our liquidity and cash flows in future periods.

Critical Accounting Policies

Our unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require us to make estimates and judgments that significantly affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Note 1, *"Business, Basis of Presentation and Significant Accounting Policies"* in the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015 , filed with the U.S. Securities and Exchange Commission on January 11, 2016, describes our significant accounting policies which are reviewed by management on a regular basis.

New Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed in its periodic reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). Based upon the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective at a reasonable assurance level to ensure that information required to be disclosed by it in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. In addition, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective at a reasonable assurance level to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Exchange Act, during the quarter ended June 30, 2016, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Prior to investing in our common stock, you should carefully consider the risks and uncertainties described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, filed with the U.S. Securities and Exchange Commission on January 11, 2016, as supplemented by the risk factors described in our Quarterly Report on Form 10-Q the fiscal quarter ended March 31, 2016, filed with the U.S. Securities and Exchange Commission on May 16, 2016, and the other information included in forward-looking statements made in this Quarterly Report on Form 10-Q or elsewhere by management from time to time.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On June 9, 2016, we issued 2,879,127 shares of restricted common stock for partial conversion of an aggregate of $52,256 in principal and accrued interest under a promissory note. The issuance of shares was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)2) thereof because such issuance did not involve a public offering.

On June 15, 2016, we issued 641,321 shares of common stock to River North Equity, LLC ("River North") under the Equity Purchase Agreement (the "Purchase Agreement") dated March 16, 2016 (the "Purchase Agreement") between the Company and River North Equity, LLC for aggregate proceeds of $27,338.

On June 30, 2016, we issued 525,523 shares of common stock to River North under the Purchase Agreement for aggregate proceeds of $18,657.

On July 7, 2016, we issued 1,366,500 shares of restricted common stock for partial conversion of an aggregate of $26,307 in principal and accrued interest under a promissory note. The issuance of shares was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof because such issuance did not involve a public offering.

On July 22, 2016, we issued 1,035,013 shares of restricted common stock for partial conversion of an aggregate of $21,119 in principal and accrued interest under a promissory note. The issuance of shares was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof because such issuance did not involve a public offering.

On July 22, 2016, we issued 695,322 shares of common stock to River North under the Purchase Agreement for aggregate proceeds of $21,750.

On July 29, 2016, we issued 889,861 shares of common stock to River North under the Purchase Agreement for aggregate proceeds of $30,086.

On August 1, 2016, we issued 1,060,625 shares of restricted common stock for final conversion of an aggregate of $20,534 in principal and accrued interest under a promissory note. The issuance of shares was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof because such issuance did not involve a public offering.

On August 4, 2016, we issued 1,430,057 shares of common stock to River North under the Purchase Agreement for aggregate proceeds of $53,099.

On August 4, 2016, the Company issued 500,000 shares of restricted common stock to a creditor for carrying a significant balance. The issuance of shares was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof because such issuance did not involve a public offering.

On August 8, 2016, we issued 9,506,619 shares of restricted common stock for complete conversion of an aggregate of $186,662 in principal and accrued interest under a promissory note. The issuance of shares was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof because such issuance did not involve a public offering.

On August 9, 2016, we issued 1,805,899 shares of common stock to River North under the Purchase Agreement for aggregate proceeds of $85,193.

This issuances of common stock to River North under the Purchase Agreement, as described above, were exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof because such issuance did not involve a public offering.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits

Exhibit Number	Description
2.1	Agreement and Plan of Merger between the Company, Gold and Minerals Company, Inc. and MergerCo, dated June 28, 2010 *(incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed July 7, 2010)*.
3.1	Articles of Incorporation, as amended *(incorporated by reference to Exhibit 3.1 to the Company's Form S-4 Registration Statement #333-170281 filed on November 2, 2010)*.
3.2	Certificate of Amendment to Articles of Incorporation *(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed October 1, 2014).*
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock *(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed August 31, 2011).*
3.4	Certificate of Designation of Series B Convertible Preferred Stock *(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed August 1, 2014).*
3.5*	Restated Bylaws
4.1	Rights Agreement dated August 25, 2011 between the Company and OTR, Inc. *(incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on August 31, 2011)*.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS *	XBRL Instance Document**
101.SCH *	XBRL Extension Schema Document**
101.CAL *	XBRL Extension Calculation Linkbase Document**
101.DEF *	XBRL Extension Definition Linkbase Document**
101.LAB *	XBRL Extension Labels Linkbase Document**
101.PRE *	XBRL Extension Presentation Linkbase Document**

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* Filed herewith.

** In accordance with Rule 406T of Regulation S-T, this information is deemed not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EL CAPITAN PRECIOUS METALS, INC.

Dated: August 15, 2016

By: /s/ John F. Stapleton
John F. Stapleton
Chief Executive Officer, President and Director
(Principal Executive Officer)

Dated: August 15, 2016

By: /s/ Stephen J. Antol
Stephen J. Antol
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 3.5

RESTATED BYLAWS
OF
EL CAPITAN PRECIOUS METALS, INC.

In effect as of July 15, 2016

Article I
OFFICES AND CORPORATE SEAL

1.1. *Offices.* The registered office of the Corporation in the State of Arizona shall be located at 14301 N. 87th Street, Suite 216, Scottsdale, Arizona 85260. The Corporation may conduct business and may have such other offices, either within or without the state of incorporation, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

1.2. *Corporate Seal.* A corporate seal is not required on any instrument executed for the Corporation. If a corporate seal is used, it shall be either a circle having on its circumference "ECPN," and in the center "Incorporated 2000 Nevada;" (name change April 11, 2003 to El Capitan Precious Metals, Inc.) or a circle having on its circumference the words "Corporate Seal."

Article II
SHAREHOLDERS

2.1. *Annual Meeting.* The annual meeting of the shareholders shall be held at such time and on such day as shall be designated by the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting. At the annual meeting, any business may be transacted and any corporate action may be taken, whether stated in the notice of meeting or not, except as otherwise expressly provided by statute or the Articles of Incorporation.

2.2. *Special Meetings.* The Chairman of the Board or Chief Executive Officer may, and upon the written request of two members of the Board of Directors or of shareholders owning not less than 50 percent of the outstanding voting shares of the Corporation, the Chairman of the Board or Chief Executive Officer shall, call special meetings of the shareholders, for any purpose or purposes unless otherwise prescribed by statute. The written request and the notice of the special meeting shall state the purposes of the meeting, and the business transacted at the meeting shall be limited to the purposes stated in the notice.

2.3. *Place of Meeting.* The Board of Directors and the Chairman of the Board or the Secretary shall fix the time and place of all meetings of shareholders.

2.4. *Notice of Meeting.* Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 60 days before the date of the meeting either personally, by facsimile or by mail to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid.

2.5. *Fixing Date for Determination of Shareholders of Record.* To determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to express written consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the Board of Directors of the Corporation may fix, in advance, a record date which shall not be more than 60 days nor less than 10 days before the date of such meeting, nor more than 60 days nor less than 10 days prior to any other action.

2.6. *Shareholder List.* The officer or agent having charge of the stock transfer books shall prepare, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order with the address of and the number of shares held by each shareholder of record.

2.7. *Quorum.* A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. All shares represented and entitled to vote on any single subject matter which may be brought before the meeting shall be counted for the purposes of a quorum. Only those shares entitled to vote on a particular subject matter shall be counted for the purposes of voting on that subject matter. Business may be conducted once a quorum is present and may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of sufficient shares to reduce the number present to less than a quorum. Unless otherwise required by law, the affirmative vote of the majority of shares represented at the meeting and entitled to vote on a subject matter shall constitute the act of the shareholders; provided, however, that if the shares then represented are less than required to constitute a quorum, the affirmative vote must be such as would constitute a majority if a quorum were present and, provided further, that the affirmative vote of the majority of the shares then present is sufficient in all cases to adjourn the meeting.

2.8. *Proxies*. At all meetings of shareholders, a shareholder may vote in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after six months from the date of its execution, unless otherwise provided in the proxy, but in no event shall the proxy be valid for greater than seven years. Subject to these restrictions, any proxy properly created is not revoked and continues in full force and effect until another instrument or transmission revoking it or a properly created proxy bearing a later date is filed with or transmitted to the Secretary.

2.9. *Voting Rights.* Unless otherwise provided in the Articles of Incorporation or by the Nevada Revised Statutes, each outstanding share of capital stock shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. Directors shall be elected by a plurality of the votes cast at the election, and cumulative voting shall not be permitted. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

2.10. *Voting of Shares.* The following additional provisions shall apply to the voting of shares:

(a) Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the elections of directors of such other corporation is held by this Corporation, shall neither be entitled to vote nor counted for quorum purposes. Nothing in this paragraph shall be construed as limiting the right of this Corporation to vote its own stock held by it in a fiduciary capacity.

(b) A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. In the event any instrument granting a proxy shall designate two or more persons to act as proxy, the majority of such persons present at the meeting, or if only one should be present then that one, shall have and may exercise all the powers conferred by such instrument upon all the persons so designated, unless such instrument shall otherwise provide. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy, but in no event shall the proxy be valid for greater than seven years. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient at law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the share itself or an interest in the Corporation generally. A proxy is not revoked by the death or incapacity of the maker unless, before the vote is counted or quorum is determined, written notice of the death or incapacity is given to the Corporation. A proxy may be revoked by an instrument expressly revoking it, a duly executed proxy bearing a later date, or by the attendance of the person executing the proxy at the meeting and his voting of his shares personally.

(c) Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws of such other corporation may prescribe or, in the absence of such provision, as the Board of Directors of such other corporation may determine. The Secretary of the Corporation shall have the authority to require that such documents be filed with the Secretary of the Corporation as the Secretary shall reasonably require in order to verify the authority and power of any such officer, agent or proxy to vote the shares of the Corporation held by any such other corporation.

(d) Shares held by an administrator, executor, guardian, conservator or personal representative may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee, other than a trustee in bankruptcy, may be voted by him, either in person or by proxy, but no such trustee shall be entitled to vote shares held by him without a transfer of such shares into his name. Shares standing in the name of a receiver, trustee in bankruptcy, or assignee for the benefit of creditors may be voted by such representative, either in person or by proxy. Shares held by or under the control of such a receiver or trustee may be voted by such receiver or trustee, either in person or by proxy, without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver or trustee was appointed. The Secretary of the Corporation shall have the authority to require that such documents be filed with the Secretary of the Corporation as the Secretary shall reasonably require in order to verify the authority and power of such representative or other fiduciary to vote the shares of the Corporation registered in the name of such other person.

(e) A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee or unless the pledgee is specifically empowered by such shareholder to vote the shareholder's shares.

(f) If shares stand in names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety of tenants by community property or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect:

(i) If only one votes, his acts bind.

(ii) If more than one votes, the act of the majority so voting binds all.

(iii) If more than one votes, but the vote is evenly split on any particular matter, each faction may vote the shares in question proportionally.

2.11. *Qualification and Nominations of Directors.*

(a) Only persons who are nominated in accordance with this Section 2.11 shall be eligible for election as directors of the Corporation. Nominations for election to the Board of Directors of the Corporation at a meeting of shareholders may be made (i) by the Board of Directors or on behalf of the Board of Directors by a nominating committee appointed by the Board of Directors, or (ii) by any shareholder of the Corporation that is a shareholder of record at the time of giving of notice provided for in this Section 2.11 (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed to be made, only if such beneficial owner was the beneficial owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.11 and at the time of the meeting), who is entitled to vote for the election of directors at the meeting, and who complies with the procedures set forth in this Section 2.11. The foregoing clause (ii) shall be the exclusive means for a shareholder to make any nomination of a person or persons for election to the Board of Directors at a meeting of shareholders. All nominations by shareholders must be made pursuant to timely notice in proper written form to the Secretary of the Corporation. If applicable, and notwithstanding the foregoing provisions of this Section 2.11, a shareholder must also comply with any and all requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), with respect to the matters set forth in this Section 2.11.

(b) To be timely, a shareholder's notice with respect to an annual meeting must be delivered to or mailed and received at the principal executive offices of the Corporation not less than thirty (30) nor more than sixty (60) calendar days prior to the first anniversary of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders; provided, however, that if the date of the annual meeting is advanced more than thirty (30) calendar days prior to or delayed by more than thirty (30) calendar days after the anniversary of the preceding year's annual meeting, timely notice by a shareholder may be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the 10th calendar day following the earlier of the date the Corporation shall have mailed notice to its shareholders that a meeting of shareholders will be held or shall have issued a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that a meeting of shareholders will be held. To be timely, a shareholder's notice with respect to a special meeting must be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the 10th calendar day following the earlier of the date the Corporation shall have mailed notice to its shareholders that a special meeting of shareholders will be held or shall have issued a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that a special meeting of shareholders will be held. In no event shall an adjournment of an annual or special meeting or the public disclosure thereof commence a new time period for the giving of a shareholder's notice as described above.

(c) To be in proper written form, such shareholder's notice must set forth or include (i) as to each person the shareholder proposes to nominate for election or reelection as a director, (A) the name, age, business address and residence address of such individual, (B) the class, series and number of any shares of stock of the Corporation that are beneficially owned or owned of record by such individual, (C) the date such shares were acquired and the investment intent of such acquisition, (D) all other information relating to such individual that is required to be disclosed in solicitations of proxies for the election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder (including such individual's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) regardless of whether Regulation 14A (or any successor provision) under the Exchange Act and the rules thereunder are then applicable to the Corporation, (E) all information with respect to such individual that would be required to be set forth in a shareholder's notice pursuant to this Section 2.11 if such proposed individual were a Nominating Person, and (F) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among such person being nominated, his or her respective affiliates and associates and any other persons with whom such proposed nominee (or any of his or her respective affiliates and associates) is Acting in Concert, on the one hand, and any Nominating Person, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K of the Exchange Act if such Nominating Person was the "registrant" for purposes of such rule and the person being nominated were a director or executive officer of such registrant; and (ii) as to each Nominating Person, (A) the class, series and number of all shares of stock of the Corporation which are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Nominating Persons, except that such Nominating Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Nominating Person has a right to acquire beneficial ownership at any time in the future by such Nominating Person, (B) the full notional amount of any Synthetic Equity Position, (C) any Short Interests and (D) any Performance-Related Fees; and (iii) as to each Nominating Person covered by clause (ii) of this paragraph (c) of this Section 2.11, the name and address of such Nominating Person, as they appear on the Corporation's stock ledger; (iv) to the extent known by the shareholder giving the notice or any other Nominating Person, the name and address of any other shareholder supporting the nominee for election or reelection as a director or the proposal of other business on the date of such shareholder's notice; and (v) any other information relating to such Nominating Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Nominating Person in support of the nominees proposed to be nominated for election or reelection as a director at the meeting pursuant to Section 14(a) of the Exchange Act (regardless of whether Section 14(a) of the Exchange Act is then applicable to the Corporation).

(d) To be eligible to be a candidate for election as a director of the Corporation at an annual or special meeting, a candidate must be nominated in the manner prescribed in this Section 2.11, and the candidate for nomination, whether nominated by the Board of Directors or by a shareholder of record, must have previously delivered (in accordance with the time period prescribed for delivery in a notice to such candidate given by or on behalf of the Board of Directors), to the Secretary at the principal executive offices of the Corporation, (i) one or more completed written questionnaires (the "Questionnaires") (in forms provided by the Corporation) with respect to the background, qualifications, stock ownership and independence of such proposed nominee, and (ii) a written representation and agreement (the "Prospective Director Agreement") (in form provided by the Corporation) which (A) shall provide that such candidate for nomination (1) is not and, if elected as a director during his or her term of office, will not become a party to (y) any agreement, arrangement or understanding with, and has not given and will not give any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") or (z) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (2) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation or reimbursement for service as a director and (3) if elected as a director of the Corporation, will, periodically upon request by the Corporation, complete and deliver Questionnaires, and comply with all applicable corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Secretary of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect) and (B) if such person is at the time a director or is subsequently elected as a director of the Corporation, shall include such person's irrevocable resignation as a director if such person is found by a court of competent jurisdiction to have breached the Prospective Director Agreement in any material respect.

(e) The Board of Directors may also require any proposed candidate for nomination as a director to furnish such other information as may reasonably be requested by the Board of Directors in writing prior to the meeting of shareholders at which such candidate's nomination is to be acted upon in order for the Board of Directors to determine the eligibility of such candidate for nomination to be an independent director of the Corporation in accordance with the any applicable stock exchange listing requirements.

(f) If information submitted pursuant to this Section 2.11 by any shareholder proposing a nominee for election as a director at a meeting of shareholders shall be inaccurate to a material extent, such information may be deemed not to have been provided in accordance with this Section 2.11. Upon written request by the Chief Executive Officer or Chief Financial Officer or the Board of Directors, any shareholder proposing a nominee for election as a director at a meeting of shareholders shall provide, within five (5) Business Days of delivery of such request (or such other period as may be specified in such request), (A) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the shareholder pursuant to this Section 2.11 and (B) a written update of any information previously submitted by the shareholder pursuant to this Section 2.11 as of an earlier date. If a shareholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 2.11.

(g) Notwithstanding anything in these Bylaws to the contrary, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with this Section 2.11. The presiding officer at the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with this Section 2.11, and if he or she should so determine, he or she shall so declare such determination to the meeting and the defective nomination shall be disregarded.

(h) For purposes of this Section 2.11, the term "Nominating Person" shall mean (i) the shareholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, (iii) any affiliate or associate of such shareholder or beneficial owner, and (iv) any other person with whom such shareholder or such beneficial owner (or any of their respective affiliates or associates) is Acting in Concert.

(i) For purposes of these Bylaws, a person shall be deemed to be "Acting in Concert" with another person if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert with, or towards a common goal relating to the management, governance or control of the corporation in parallel with, such other person where (i) each person is conscious of the other person's conduct or intent and this awareness is an element in their decision-making processes and (ii) at least one additional factor suggests that such persons intend to act in concert or in parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions, or making or soliciting invitations to act in concert or in parallel; provided, that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person.

(j) A Nominating Person shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.11 shall be true and correct as of the record date for the meeting and as of the date that is ten (10) Business Days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Chief Executive Officer or Chief Financial Officer at the principal executive offices of the Corporation not later than five (5) Business Days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) Business Days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to) any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) Business Days prior to the meeting or any adjournment or postponement thereof).

For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday in the State of New York.

2.12. *Informalities and Irregularities.* All informalities and irregularities in any call or notice of a meeting, or in the areas of credentials, proxies, quorums, voting and similar matters, will be deemed waived if no objection is made at the meeting.

2.13. *Action Without a Meeting by Shareholders.* Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting by written action signed by a majority of the shareholders entitled to vote on such action. Such written action shall be effective when signed by a majority of the shareholders entitled to vote thereon, unless a different effective time is provided in the written action. The writing or writings shall be filed with the minutes of the Shareholders.

2.14. *Meeting by Means of Electronic Communication.* Shareholders may participate in a meeting of the shareholders by means of conference telephone or similar means of communication by which all persons participating in the meeting can simultaneously hear each other. Such participation in a meeting pursuant to this Section 2.14 shall constitute presence in person at such meeting. Meetings held entirely pursuant to this Section 2.14, however, are still subject to the notice, quorum and voting requirements as provided in this Article II.

2.15. *Business Proposed by Shareholders.*

(a) At any annual or special meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting (i) by or at the direction of the Board of Directors, or (ii) with respect to business other than the election of directors (which shall be governed by Section 2.11), by any shareholder of the Corporation who complies with the notice procedures set forth in this Section 2.15. For business to be properly brought before any annual or special meeting by a shareholder, such business must be a proper matter for shareholder action and the shareholder must (A) be a shareholder of the Corporation of record both at the time of giving the notice provided for in this Section 2.15 and at the time of the meeting, (B) be entitled to vote at such meeting, and (C) deliver timely notice in proper written form to the Secretary of the Corporation.

(b) To be timely, a shareholder's notice with respect to an annual meeting must be delivered to or mailed and received at the principal executive offices of the Corporation not less than thirty (30) nor more than sixty (60) calendar days prior to the first anniversary of the date on which the Corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders; provided, however, that if the date of the annual meeting is advanced more than thirty (30) calendar days prior to or delayed by more than thirty (30) calendar days after the anniversary of the preceding year's annual meeting, timely notice by a shareholder may be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the 10th calendar day following the earlier of the date the Corporation shall have mailed notice to its shareholders that a meeting of shareholders will be held or shall have issued a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that a meeting of shareholders will be held. In addition, if the Corporation is then governed by Regulation 14A under the Exchange Act, a proposal submitted by a shareholder for inclusion in the Corporation's proxy statement for an annual meeting that is appropriate for inclusion therein and otherwise complies with the provisions of Rule 14a-8 under the Exchange Act (including timeliness) shall be deemed to have also been submitted on a timely basis pursuant to this Section 2.15(b).

To be timely, a shareholder's notice with respect to a special meeting must be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the 10th calendar day following the earlier of the date the Corporation shall have mailed notice to its shareholders that a special meeting of shareholders will be held or shall have issued a press release, filed a periodic report with the Securities and Exchange Commission or otherwise publicly disseminated notice that a special meeting of shareholders will be held. In no event shall an adjournment of an annual or special meeting or the public disclosure thereof commence a new time period for the giving of a shareholder's notice as described above.

(c) To be in proper written form, such shareholder's notice shall set forth (i) as to each matter the shareholder proposes to bring before the meeting a description in reasonable detail of the business desired to be brought before the meeting, the reasons for proposing such business at the meeting and any material interest in such business of each Proposing Person (as defined below), individually or in the aggregate, including any anticipated benefit to the Proposing Person therefrom, and (ii) as to each Proposing Person, (A) the name and address of such Proposing Person; (B) the class, series and number of all shares of stock of the Corporation which are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Persons, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future; (C) the full notional amount of any securities that, directly or indirectly, underlie any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) ("Synthetic Equity Position") and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class or series of shares of the Corporation; provided that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, provided, further, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer; (D) any agreement, arrangement, understanding or relationship, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of shares of any class or series of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Proposing Person with respect to the shares of any class or series of the Corporation, or which provides, directly or indirectly, the opportunity to profit from any decrease in the price or value of the shares of any class or series of the Corporation ("Short Interests"); (E) any performance-related fees (other than an asset-based fee) that such Proposing Person is entitled to base on any increase or decrease in the value of shares of the Corporation or any Synthetic Equity Positions or Short Interests, if any, as of the date of such notice, including without limitation any such interests held by members of such Proposing Person's immediate family sharing the same household (which information shall, in each case, be supplemented by such Proposing Person not later than ten (10) calendar days after the record date for the meeting to disclose such ownership as of the record date) ("Performance-Related Fees"); (F) a description of all arrangements or understandings among any of the Proposing Persons or between or among any Proposing Person and any other person or entity (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business; (G) such other information regarding each matter the Proposing Person proposes to bring before the meeting as would be required to be included in a proxy statement filed pursuant to the applicable requirements of the Exchange Act with respect to the matters set forth in this Section 2.15; (H) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (regardless of whether Section 14(a) of the Exchange Act is then applicable to the Corporation); (I) a representation that at least one of the Proposing Persons intends to appear in person or by proxy at the meeting to bring such business before the meeting; and (J) to the extent known by the shareholder giving the notice or any other Proposing Person, the name and address of any other shareholder supporting the proposal of business on the date of such shareholder's notice. Nothing in this Section 2.15 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, nor shall the notice requirements under this Section 2.15 be limited by the rules and regulations promulgated under the Exchange Act or deemed to apply only to proposals or nominations intended to be included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Exchange Act.

(d) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at a shareholders' meeting except in accordance with this Section 2.15. The chairman or presiding officer of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Section 2.15, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(e) For purposes of this Section 2.15, “Proposing Person” shall mean (i) the shareholder providing the notice of business proposed to be brought before the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the meeting is made, (iii) any affiliate or associate (each within the meaning of Rule 12b-2 under the Exchange Act for purposes of these Bylaws) of such shareholder or beneficial owner, and (iv) any other person with whom such shareholder or beneficial owner (or any of their respective affiliates or associates) is Acting in Concert.

(f) A Proposing Person shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.15 shall be true and correct as of the record date for the meeting and as of the date that is ten (10) Business Days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Chief Executive Officer or Chief Financial Officer at the principal executive offices of the Corporation not later than five (5) Business Days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) Business Days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to) any adjournment or postponement thereof (in the case of the update and supplement required to be made as of ten (10) Business Days prior to the meeting or any adjournment or postponement thereof).”

Article III
BOARD OF DIRECTORS

3.1. *General Powers.* The business and affairs of the Corporation shall be managed by its Board of Directors. The directors shall in all cases act as a Board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation, as they may deem proper, not inconsistent with these Bylaws and the laws of Nevada.

3.2. *Number, Tenure and Qualifications.* The Board of Directors shall consist of a minimum of two and a maximum of nine directors. The Board of Directors shall have the authority to fix the number of directors comprising the Board within the limits set forth above; provided, however, that no decrease in the number of directors comprising the Board shall affect the term of any incumbent director. Each director shall hold office until the next annual meeting of shareholders and until his successor shall have been elected and qualified, or until his earlier resignation or removal. Directors need not be residents of the State of Nevada or shareholders of the Corporation. Only persons who are nominated in accordance with this Section 2.11 shall be eligible for election as directors of the Corporation.

3.3. *Annual Meetings.* The Board of Directors shall hold its annual meeting immediately following the annual meeting of shareholders at the place announced at the annual meeting of shareholders. No notice is necessary to hold the annual meeting, provided a quorum is present. If a quorum is not present, the annual meeting shall be held at the next regular meeting or as a special meeting.

3.4. *Regular Meetings.* The Board of Directors may hold regular meetings without notice at the times and places determined by the Board of Directors.

3.5. *Special Meetings.* The Chairman of the Board or Secretary may, and on written request of two directors shall, call special meetings of the Board of directors on not less than two days’ notice to each director personally, or by facsimile, telephone, or electronic mail, or on not less than five days’ notice to each director by mail.

3.6. *Telephonic Meetings.* Regular or special meetings of the Board of Directors may be held at any place within or without State of Nevada and may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, their participation in such a meeting to constitute presence in person. Meetings held pursuant to this Section 3.6, however, are still subject to the notice, quorum and voting requirements as provided in this Article III.

3.7. *Waiver of Notice.* Attendance of a director at a meeting shall constitute waiver of notice unless the director objects at the commencement of the meeting that the meeting is not lawfully called or convened and does not participate in the remainder of the meeting. Any director may waive notice of any meeting by executing a written waiver of notice.

3.8. *Quorum.* A majority of the directors then serving shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of a majority of the directors present at a meeting at which a quorum is present, unless otherwise provided by the Nevada Revised Statutes, these Bylaws or the Articles of Incorporation, shall be the act of the Board of Directors.

3.9. *Newly Created Directorships.* The Board of Directors may increase the number of directors by a majority vote. Newly created directorships resulting from an increase in the number of directors may be filled by a majority vote of the directors then in office. The term of any newly created directorship shall be determined by the Board of Directors.

3.10. *Removal of Directors.* At a meeting of shareholders called expressly for that purpose and by a vote of the holders of not less than two-thirds of the shares then entitled to vote at an election of the directors, any director or the entire Board of Directors may be removed, with or without cause.

3.11. *Vacancies.* Directors shall be elected to fill any vacancy by a majority vote of the remaining directors, though not less than a quorum, or by a sole remaining director. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his or her successor.

3.12. *Committees of the Board.* The Board of Directors, by resolution adopted by a majority of the Board of Directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution and permitted by the Nevada Revised Statutes, shall have and may exercise all the authority of the Board. The Board, with or without cause, may dissolve any such committee or remove any member thereof at any time. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law. No committee shall have the power or authority to amend the Articles of Incorporation or Bylaws; adopt a plan of merger or consolidation, recommend to the shareholders the sale, lease, or other disposition of all or substantially all the property and assets of its business, or recommend to the shareholders a voluntary dissolution of the Corporation. Each committee shall keep regular minutes of its meetings.

3.13. *Action without a Meeting.* Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if all directors consent thereto in writing, whether signed before or after the action. Such consent shall have the same effect as a unanimous vote. The writing or writings shall be filed with the minutes of the Board of Directors.

3.14. *Compensation.* The Corporation may pay, or reimburse the directors for, the expenses of attendance at each meeting of the Board of Directors. The Corporation may pay the directors a fixed sum for attendance at each meeting of the Board of Directors and a stated salary as director or directors may be granted stock options or a combination thereof. The Board of Directors shall establish and set forth in its minutes the amount or rate of compensation of directors.

3.15. *Presumption of Assent.* A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file a written dissent to such action with the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Corporation within three business days after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Article IV
OFFICERS

4.1. *Number.* The officers of the Corporation may be a Chairman of the Board, a C.E.O., a President, a Secretary and a Treasurer, each of whom shall be appointed by the Board of Directors. Such other officers, assistant officers and agents as deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. *Tenure and Duties of Officers.* The officers of the Corporation are to be appointed by the Board of Directors at the annual meeting of the Board of Directors. Officers shall hold office at the pleasure of the Board and shall exercise the power and perform the duties determined from time to time by the Board of Directors until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

4.3. *Removal.* Any officer or agent elected or appointed by the Board of Directors may be removed by the affirmative vote of a majority of the directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.4. *Chairman of the Board.* The Chairman of the Board shall be subject to the control of the directors. He shall, when present, preside at all meetings of the shareholders and of the directors and in general shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed by the directors from time to time. Unless otherwise ordered by the Board of Directors, the Chairman of the Board shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meeting of security holders of other corporations in which the Corporation may hold securities. At such meeting, the Chairman of the Board shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation might have possessed and exercised if it had been present. The Board of Directors from time to time may confer similar powers upon any other person or persons. The Chairman of the Board, the Chief Executive Office and the President can be three separate positions.

4.5. *C.E.O.* If the C.E.O. is a separate position from the Chairman, in the absence of the Chairman of the Board or in the event of his inability or refusal to act, the C.E.O. shall perform the duties of the Chairman of the Board, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman of the Board.

4.6. *President.* The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall, in general, supervise and control all of the business and affairs of the corporation. Unless otherwise appointed by the Board, the C.E.O. shall be the President. The President shall preside at all meetings of the shareholders and shall preside at all meetings of the directors unless a chairperson of the Board of Directors or a C.E.O. is available, in which case the President shall preside only in the absence of the chairperson of the Board of Directors or C.E.O.

4.7. *Vice President.* There shall be as many vice presidents as the Board of Directors chooses to appoint. Vice Presidents shall perform the duties assigned to them by the Board of Directors of the Chairman of the Board or the President. Any one of the vice Presidents, as authorized by the Board of Directors, shall have all the powers and perform all the duties of President if the President is temporarily absent or unable to act.

4.8. *Secretary.* The Secretary shall attend all meetings of the Board of Directors and the shareholders and shall keep the minutes of the shareholders' and of the directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, have charge of the corporate records, books, and accounts, and keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder, have general charge of the stock transfer books of the Corporation, sign with the Chairman of the Board certificates for shares of the Corporation, and in general perform all duties incident to the office of Secretary, and perform such other duties as from time to time may be assigned to him by the Board of Directors or the Chairman of the Board.

4.9. *Treasurer. T*he Treasurer shall be the chief financial officer of the Corporation. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety as the directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, other depositories as shall be selected by the Board of Directors and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chairman of the Board or by the directors.

Article V
CERTIFICATES FOR SHARES AND THEIR TRANSFER

5.1. *Certificates for Shares.*

(a) Certificates representing the shares of the Corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman of the Board or President and by the Secretary or an Assistant Secretary of the Corporation. The signatures of such officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar, other than the Corporation itself or an employee of the Corporation. No certificate shall be issued for any share until such share is fully paid.

(b) If the Corporation is authorized to issue shares of more than one class, every certificate representing shares issued by the Corporation shall set forth or summarize upon the face or back of the certificate, or shall state that the Corporation will furnish to any shareholder upon request and without charge, a full statement of the designation, preferences, limitations and relative rights of the shares of each class authorized to be issued, together with the variations in the relative rights and preferences between the various shares.

(c) Each certificate representing shares shall state upon the face thereof (i) that the Corporation is organized under the laws of the State of Nevada, (ii) the name of the person to whom issued, (iii) the number, class and designation of the series, if any, which the certificate represents, and (iv) the par value of each share represented by the certificate or a statement that the shares are without par value; and the (v) date of issue.

(d) Any restriction on the right to transfer shares and any reservation of lien on the shares shall be noted on the face or the back of the certificate by providing (i) a statement of the terms of such restriction or reservation, (ii) a summary of the terms of such restriction or reservation and a statement that the Corporation will mail to the shareholder a copy of such restrictions or reservations without charge within five (5) days after receipt of written notice therefor, (iii) if the restriction or reservation is contained in the Articles of Incorporation or Bylaws of the Corporation, or in an instrument in writing to which the Corporation is a party, a statement of that effect and a statement that the Corporation will mail to the shareholder a copy of such restriction or reservation without charge within five days after receipt of written request therefor, or (iv) if each such restriction or reservation is contained in an instrument in writing to which the Corporation is not a party, a statement to that effect.

(e) Each certificate for shares shall be consecutively numbered or otherwise identified.

5.2. *Transfers of Shares.*

(a) Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the Corporation.

(b) The Corporation shall be entitled to treat the holder of record of any shares as the holder in fact thereof, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of Nevada.

5.3. *Lost, Destroyed, Mutilated, or Stolen Certificates.* The holder of any shares of the Corporation shall immediately notify the Corporation of any loss, destruction, mutilation, or theft of the certificate therefor, and the Board of Directors, may, in its discretion, cause a new certificate or certificates to be issued to him, in case of mutilation of the certificate, upon the surrender of the mutilated certificate; or, in case of loss, destruction, or theft of the certificate, upon a satisfactory proof of such loss, destruction, or theft, and, if the Board of Directors shall so determine, the submission of a properly executed lost security affidavit and indemnity agreement, or the deposit of a bond in such form and in such sum, and with such surety or sureties, as the Board may direct.

Article VI
INDEMNIFICATION

6.1. *Indemnification.* Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the general corporation law of the State of Nevada from time to time against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. The Board of Directors may in its discretion cause the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding to be paid by the Corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the Corporation. No such person shall be indemnified against, or be reimbursed for, any expense or payments incurred in connection with any claim or liability established to have arisen out of his own willful misconduct or gross negligence. Any right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any Bylaws, agreement, vote of shareholders, provision of law or otherwise, as well as their rights under this Article.

6.2. *Insurance.* The Board of Directors may cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the Corporation would have the power to indemnify such person.

6.3. *Right to Amend Indemnification Provisions.* The Board of Directors may from time to time adopt further Bylaws with respect to indemnification and may amend these and such Bylaws to the full extent permitted by the General Corporation Law of the State of Nevada.

Article VII
REPEAL, ALTERATION OR AMENDMENT

These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by a vote of the majority of the Board of Directors.

EXHIBIT 31.1

RULE 13a-14(a) CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, John F. Stapleton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of El Capitan Precious Metals, 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.

Date: August 15, 2016

/s/ John F. Stapleton
John F. Stapleton
Chief Executive Officer, President and Director

EXHIBIT 31.2

RULE 13a-14(a) CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Stephen J. Antol, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of El Capitan Precious Metals, 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.

Date: August 15, 2016

/s/ Stephen J. Antol

Stephen J. Antol
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of El Capitan Precious Metals, Inc. (the "Company") on Form 10-Q for the nine-month period ended June 30, 2016, filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in material respects, the financial condition and results of operations of the Company, as of, and for the periods presented in the Report.

Date: August 15, 2016

/s/ John F. Stapleton
John F. Stapleton
Chief Executive Officer, President and Director

/s/ Stephen J. Antol
Stephen J. Antol
Chief Financial Officer