

**Business Updates | 2018**

**January 4, 2018**

*The News Release in this Business Update was disseminated internationally today.*

**El Capitan Precious Metals Executes Contract**

**with Precious Metals Buyer**

**Scottsdale, Arizona** – El Capitan Precious Metals, Inc., (OTC/QB: ECPN) announced today that an agreement was executed in December for the sale of its precious metal hyper-concentrates. El Capitan Chairman and CEO John F Stapleton reported that the Company reached a final agreement with a buyer and has executed a Purchase Agreement for all remaining hyper-concentrates produced by the Pilot Plant from the concentrate materials stored at the bonded warehouse in Tucson, Arizona.

This sale represents the last El Capitan Pilot Program activity. It successfully completes the goals of the Pilot program, as well as demonstrates several small-scale recoveries, (5–15 pounds of hyper-concentrated material recovery of precious metals) proving the recovery technology. This sale of the remaining hyper-concentrated material to the buyer, who will smelt and refine the remaining material, demonstrates recovery and technology on a larger scale.

Per the terms of the agreement, “settlement and payment shall be a minimum of 60 days following receipt of material of sampling completion, should representation be utilized.” This transaction protocol utilizes an industry standard: Upon receipt of the concentrates the buyer will assay the material utilizing an outside representative. This assay will be compared to an independent assay performed by El Capitan. If there is a significant difference between the two, an independent umpire will be engaged to resolve the difference. Both parties agree that, in the event of a dispute or discrepancy, the entity’s valuation closest to the umpire’s will prevail.

The Pilot Program began with the development and testing of a hyper-concentration device built in China in late 2016 and shipped to the United States in the first calendar quarter of 2017. The device was installed and modified to operate in the United States in the second calendar quarter of 2017 and has processed all the concentrates from the Tucson warehouse into hyper-concentrates. After considerable experimentation and modifications during mid-2017, the Company was pleased with the effectiveness of the technology and the end results achieved. The Pilot Program achieved its purpose of proving the technology through precious metals recovery as of the end of 2017.

El Capitan is evaluating all the data generated by the Pilot Plant to determine the appropriate pathway to a Production Plan.