



## Business Updates | 2018

### February 19, 2018

The El Capitan Board of Directors reports the following updates:

#### **Johnson Matthey**

In October of 2017, El Capitan Precious Metals, Inc. sent Johnson Matthey a 3.37-pound ingot. The bar was smelted using copper as a collector for platinum. Johnson Matthey, a world leader in refinery and material science, refined and assayed the material and reported a yield of 5.904 troy ounces of platinum. On January 24, 2018, Johnson Matthey wired net funds of \$4,362.67 to the Company. The Company paid Johnson Matthey \$1,500 in standard processing fees on the transaction.

#### **Staking and Filing Additional Mining Claims**

Earlier this month, on February 13, the Company filed additional mining claims with the State of New Mexico on an additional 2,000 acres.

#### **10-K Audit**

The Company has engaged the accounting firm of Semple, Marchal & Cooper LLP to complete its 10-K audit. All details are available in the Company's 8-K.

The original audit firm determined that they were unable to complete and certify the El Capitan audit due to the fact that they required a legal opinion from the Company concerning the issuance of stock for services during the prior period of several years. The Company determined that a legal opinion could not be provided without unreasonable effort and expense—if at all. The audit firm resigned the account on February 5, 2018.

The 10-Qs for the prior three quarters have been amended, the 10-K for fiscal year 2017 will be filed as soon as possible. The 10-Q for Q1 of 2018 will be filled immediately after the 10-K filing.

According to Board Chairman John F Stapleton, the challenges in completing the audit will not impact the Company in any way. All necessary extensions have been granted.

#### **Shareholder Meeting**

The Company has set a date for its 2018 Shareholder Meeting in May of this year. The scheduling change, from March to May, was made to accommodate the Company's plan to present an expanded meeting agenda that will include detailed operations and revenue updates.

According to Stapleton, the Company will use those 90 days to "gather product information from operations as well as details on avenues for positive cash flow that is expected to result

from the sale of iron ore and precious metals concentrates over the next several months.”

The El Capitan Shareholder Meeting will be held in Scottsdale, Arizona on Wednesday, May 23, 2018 at the Gainey Ranch Golf Club. The meeting is scheduled to begin at 10:00 am local time.

**Resignation of Clyde Smith**

The Company has accepted the resignation of Dr. Clyde Smith from the El Capitan Board effective February 7, 2018. Dr. Smith’s decision, as stated in his resignation, was based upon the fact that the Company does not have access to metallurgical data on the recovery process, data which is confidential to the Pilot Plant operator. The Company thanks Dr. Smith for his loyal service to El Capitan Precious Metals, Inc.