



Business Updates | 2018

May 9, 2018

The El Capitan Board of Directors reports the following updates on the state of the Company

Operational State

The company currently has no on-going operations at its New Mexico mine site. Twenty tons of head ore concentrates which had previously been shipped to China have been returned and are currently at the mine site. The AuraSource 1 machine is on the mine site. The company had recently shipped approximately 2,000 pounds of head ore hyper-concentrates to Canada for further processing, but the location and status of such concentrates is not currently known and is under active investigation by the Board. The containers were sealed prior to shipment and hopefully remain intact. If the concentrates are located and returned and are in their original state, they will be smelted and refined as quickly as possible.

Financial State

The company currently has over \$1,000,000 in accounts payable and has a minimal amount of cash available. The Company's most immediate potential cash sources are from processing the concentrates returned from China, and well as processing the concentrates previously shipped to Canada, if the shipment can be found and recovered. In the interim, the Company will be looking to borrow funds via short term loans.

We understand that there is currently a group of shareholders and current directors who are actively considering forcing the company into bankruptcy. We fear this is being done with a view to purchase the mine assets on a highly discounted "fire sale" basis, thereby wiping out the current equity and perhaps even debt holders of the company. This would be directly against our mission statement, and the majority of the Board is doing all it can to avoid this result.

Mission Statement

The mission of El Capitan Precious Metals, Inc. is dedication to serve its shareholder with the highest integrity, maintaining compliance with industry standards, consistently striving to maximize return to the shareholders, insure business matters are conducted in the highest of ethical standards, deliver business with a sense of warmth, friendliness, individual pride, and company spirit.

Future State

The company will be actively pursuing numerous avenues to maximize shareholder value. We will begin testing immediately the Chinese concentrates and developing an operational plan to eventually turn them into revenue. We will continue to develop the iron ore potential. We are currently developing a Business Plan which will include specific avenues to limited production, ongoing marketing and sales objectives, and prospects of a sale and/or a joint venture partner.