

# CAPITAL FINANCIAL GLOBAL, INC.

## Operations Update January 30, 2015

Capital Financial Global, Inc. (the “Company”) provides this operations update to supplement and update information previously released. This information should be read in conjunction with the Company’s other publicly available business and financial information. The information in this update supersedes previously released information respecting the matters discussed.

### Gold Concentrates

The Company continues to pursue its project to purchase and resell gold concentrate from the Doc Watson Project in Mohave County, Arizona. The Company has entered into an Offtake Agreement with Noble Metal Kings, LLC, an unaffiliated operator of the Doc Watson Project, for the purchase of a minimum of 100 kilograms (3,215 troy ounces) per month, together with such additional amount of the production from the project as the Company may elect to purchase. The product is to be picked up by the Company at mine site for delivery to the Company’s designated refinery, Quantum Refiners, Atlanta, GA, at the sole cost and risk of the Company. The Company will be obligated to pay the seller the purchase price equal to 85% of the final gold content at the official London gold price based upon the refinery’s final assay, with payment due within three business days of such final assay.

Pursuant to an agreement with Quantum Refiners, LLC, now set forth in a written contract, Quantum Refiners has agreed to purchase the concentrate from the Company at a price equivalent to 95% of the London quoted gold spot price, with payment due one day after the final assay, with the net effect that the payment by Quantum Refiners to the Company is due prior to the time that the Company is obligated to pay Noble Metal Kings. Quantum Refiners was formerly known as Gold Rush Refiners and is owned 50% by Paul Norat, the Company’s president and principal stockholder, and 50% by an unaffiliated third party. The terms of the gold concentrate purchase agreement with Quantum Refiners were not the result of arm’s-length negotiations between the Company and Quantum Refiners, a related party.

### The Doc Watson Project

As noted on the Technical Report on the Doc Watson Project, Mohave County, Arizona, prepared for Noble Metal Kings, LLC, and the Company, by B Yeomans Consulting, LLC, dated June 10, 2014, the project is a green-fields type placer exploration target that has only been tested to date by localized surface sampling and trenching. Investors are urged to review the complete Yeomans technical report, which was posted at the Company’s OTC Markets online disclosure portal at: <http://www.otcmarkets.com/stock/CFGX/filings>.

The technical report recommends, based upon an analysis of selected samples and a technical overview of the property, a further drill-based, bulk-sampling program on a 500-foot grid in the most promising target areas, to be followed if warranted by further, closer-spaced drilling. Instead of pursuing further exploration, the operator of the property proposes to initiate small-scale test production in an effort to generate concentrates for sale to the Company.

The Offtake Agreement for the Company’s purchase of concentrate from Noble Metal Kings anticipates that production was to begin in October 2014, but that has been delayed. The Company does not know of Noble Metal Kings’ operating or financial capability to commence commercial-scale production as contemplated under the Offtake Agreement. Noble Metal Kings has advised the Company

that it has identified investor start-up capital, necessary equipment, supplies, and logistical support to commence mining in the near future, although the Company is unable to confirm these representations.

The technical report notes the following significant risks to the viability of this project, including:

- The ability to procure a sufficient volume of water of sufficient quality for the expected life of any proposed placer mining operation in the Doc Watson Project will be a critical factor in determining whether the operation will be economically viable. The competing water demand for any proposed placer operation with the nearby White Water placer recovery plant currently being constructed must also be evaluated. The lack of available water in the Lost Basin District was historically a major hindrance to the development of placer mining operations.
- The distance to existing electrical transmission lines and the cost to construct a new transmission line to the Doc Watson Project must also be evaluated as part of any future feasibility review of the Project.
- Exploration data regarding the property furnished by the owner is unverified with no indication as to sampling, concentration, or analysis methodology. The owner's interpreted estimates and grades provided by the owner are from unknown tests and are not considered to be reliable, but are presented in the report because they were considered reliable at the time. These results should be regarded as a geochemical anomaly that warrants further investigation.
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- The potential quantity and grade estimated by the owner or old reports provide by it are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Investors are cautioned that grades reported in the technical report were not verified with detailed sampling and systematic evaluation on the Company's behalf. It is uncertain whether further exploration will result in the target being delineated as a mineral resource. These historical estimates were based on poorly defined sampling and concentrating methods with sampling that appeared to be erratically spaced in the placer mineralization, typically an unreliable practice. The classification and volume of mineralization also do not appear to have been based on metallurgical studies and have not been verified by the Company.
- None of the historical classifications have been verified, and therefore do not meet applicable standards for verified historically estimated mineral reserves or mineral resources for use in current estimates released to the public. Neither mineral reserves nor mineral resources currently exist at the Doc Watson Project.
- In order for any of the classifications of placer mineral content to be considered current, a program of detailed, statistically valid drilling, sampling and various engineering studies must be implemented to verify the historical studies. Such verification could be implemented in stages, with increases in the detail of study contingent upon results obtained at each stage. The Technical Report presents the first stage of an early stage exploration Project in which select placer sample sites on the Project and adjacent areas within one-half mile of the Project are sampled to verify historic data and determine whether additional exploration work is justified.

- Only minimal exploration has been completed in the area, and no detailed economic, geologic, or metallurgical evaluation data were made available to the Company.
- Investors are cautioned that the grades of mineralization obtained by the author of the Technical Report should not be considered representative of the deposit unless determined by a more detailed and methodical evaluation. The samples are intended as an initial review of select areas at the Project that were reported to contain mineralization or that are from similar exposures of the fanglomerate represented to be gold bearing. The results of detailed and systematic sampling programs should be used to determine the merits of value of the Project.
- Investors are cautioned that the potential grades obtained by the author are select "grab" samples and are not necessarily representative of the grades that would be determined in a detailed and methodical evaluation of the Project. The samples are intended as an initial review of select areas at the Project that were reported to contain mineralization. The results of detailed and systematic sampling programs should be used to determine the merits of value of the Project.
- It is too early in the exploration phase to determine whether or not the property will develop into an economically viable placer deposit. The author's verification samples indicated sufficient anomalous gold over a broad enough area to warrant additional exploration work.

Technical Report on the Doc Watson Project, Mohave County, Arizona, prepared for Noble Metal Kings, LLC, and Capital Financial Global, Inc. (CFGX), by B Yeomans Consulting, LLC, dated June 10, 2014

Investors are again urged to read the full technical report, which is found at the Company's OTC Markets online disclosure portal at: <http://www.otcmarkets.com/stock/CFGX/filings>

#### Acquisition of Quantum by Paul Norat

In April 2014, Gold Rush Refiners International, LLC., a Utah limited liability company owned by Paul Norat, the Company's CEO and principal stockholder, acquired the gold refining assets of Gold Rush Refiners, LLC, an Atlanta company ("Atlanta Gold Rush"). Following that acquisition, Gold Rush Refiners International, Inc., changed its name to Quantum Refiners, LLC ("Quantum"). In August 2014, an unrelated third party acquired 50% of Mr. Norat's interest in Quantum for cash, a portion of which was used to fund Quantum. Quantum operates a commercial gold refinery and smelting facility at 75 Mendel Drive SW, Suite 1, Atlanta, Georgia, where it provides commercial gold and other precious metals smelting and refining services to the public. Refined gold and other precious metals are generally sold to unrelated third party purchasers based on a negotiated percentage of posted spot prices.

#### Note Due the Company from Quantum

As previously reported, in connection with the acquisition of certain assets of Atlanta Gold Rush in April 2014 as referred to above, Quantum assumed certain obligations of Atlanta Gold Rush to pay an aggregate of \$5.1 million in principal amount of notes (the "Gold Rush Notes") that were secured by the assets transferred by Atlanta Gold Rush to Quantum. Also as previously reported, in April 2014, the Company acquired from a certain unrelated third parties the right to receive payment under such Gold Rush Notes that Quantum was then required to pay by virtue of the above assumption. These Gold Rush Notes were consolidated into one secured promissory note for \$5.1 million bearing interest at the rate of 12% per annum with accrued interest to be paid monthly, with a default rate of 24%, payable by Quantum to the Company. The principal amount, together with any accrued but unpaid interest, is payable on April 7, 2019. This note is secured by all of the current and future assets of Quantum. As noted above, Quantum is 50%

owned by the Company's president, chairman, and principal stockholder. The Company issued 1,701,200 shares of preferred stock in consideration of the note.

Since the Company acquired the rights of the payee under the \$5.1 million in Gold Rush Notes, some of the original payees named in the Gold Rush Notes have disputed the Company's ownership of such notes on the ground that the unrelated third party from whom the Company acquired such Gold Rush Notes had not paid such original note payees the agreed consideration for the purchase of such notes and that, therefore, the transfer of the Gold Rush Notes to the Company was not legitimate.

When the foregoing transaction was entered into, the parties anticipated that the gold concentrate transaction relating to production from the Doc Watson Project in Mohave County, Arizona, discussed above, would be in full operation as anticipated by those agreements in October 2014. The parties also anticipated that the revenues available to Quantum from the processing and sale of gold from the Doc Watson Project would provide a stream of revenue to pay the required amounts due on the secured note payable to the Company. When production from the Doc Watson Project did not commence in October as anticipated, Quantum and the Company agreed to restructure the note as follows:

The revised note accrues interest at 3% from April 2014 through June 2015, 6% interest from July 2015 through January 2016, 9% from February 2016 through July 2017, and 12% thereafter. A \$100,000 fee for revising the note is added to the principal. Monthly interest-only payments commence in July 2015, with the unpaid interest and principal due in April 2019. The rate of interest after default will be 24%.

The foregoing transactions were not the result of arm's-length negotiations.

#### Company Funding

In the absence of anticipated revenues from the sale of gold from the Doc Watson Project and the interest payments due from the \$5.1 million Quantum note receivable, the Company has continued to rely on proceeds from the sale of stock to fund its activities. The Company will continue to seek funding from these or other sources, particularly until revenues from the Doc Watson Project or Quantum are consistently established.

#### Lending and Related Activities

The Company continues to seek lending opportunities and ways of funding new loans on a project-by-project basis. Because of the Company's financial condition and ongoing operating losses, the Company has been unable to establish warehouse financing for ongoing lending activities. Accordingly, the Company is concentrating its activities on fee-based brokerage of loans, loan packaging advisory fees, and related service-based business.