



Business Updates | 2020

April 10, 2020

The El Capitan Board of Directors reports the following updates:

Change of Board of Directors, Litigation and Bulk Scale Test

Management and Directorship:

At the March 12, 2020 corporate meeting, ECPN Management and the Board of Directors decided to suspend payment of the Directors and Officers Liability Insurance (D&O) due to lack of funds. At the same time, two personnel changes took place: Tim Gay resigned as Chairman of the Board and Steve Antol resigned as CFO, though remaining as Controller at a reduced salary. Later that afternoon, the remaining Board members, Daniel Martinez, Charles Mottley, and John Balding met; Mr. Balding acting as Vice Chairman and Interim Corporate Secretary and Daniel Martinez agreeing to serve as Interim Chairman.

Litigation:

The D&O insurance lapsed on Saturday March 14, 2020. On March 17, 2020 John Stapleton and three other ECPN shareholders (Plaintiffs) filed litigation in Clark County, Nevada, Case No: A-20-812408-C, titled: "Shareholders Derivative Action-Equitable Relief." The litigation was brought against John Balding, individually and President; Timothy Gay, individually and Director; Charles Mottley, individually and Director; and Daniel Martinez, individually and Director (defendants). The individuals and corporation are actively defending this litigation.

On March 27, 2020 the plaintiffs filed a "Motion to Appointment of Receiver." The defendants are actively defending this Motion.

Bulk Scale Testing:

ECPN Management and Directors met with consulting geologists Dr. Clyde Smith and David Smith of Highlands Geoscience on Tuesday March 17, 2020 to discuss the logistics and operational plan to perform the Bulk Scale test. The following items were determined:

- In adherence to strict chain of custody protocol, Highlands Geoscience will be responsible for the collection and delivery of the material to be tested. The laboratory conducting the Bulk Scale testing procedures, AuRIC Metallurgical Labs, has requested three thousand pounds (3,000 lbs) of ore. To deliver the material, it will be ground to a size of 1/2" minus and then placed in 55-gallon barrels for transportation to AuRIC.
- In the interests of future independent verification tests, nine thousand pounds (9,000 lbs) of material will be collected, with six thousand pounds (6,000 lbs) held in reserve.

ECPN has been in consultation with an independent contract miner to aid in the material's retrieval. Once funds have been raised, AuRIC has indicated that the Bulk Scale test would be completed one month after receiving the desired material. Total cost of the Bulk Scale Test will be \$100,000.00. This breaks down to \$30,000.00 for the collection and transportation of the material to the laboratory; and \$70,000.00 for the testing itself. After completion, all test results will be immediately published.

Forward-Looking Safe Harbor Statement:

The statements included in this business update concerning predictions of economic performance and management's plans and objectives constitute forward-looking statements made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)," "feel(s)," "believe(s)," "will," "may," "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements regarding the expected completion, timing and results of metallurgical testing, interpretation of drill results, the geology, grade and continuity of mineral deposits, results of initial feasibility, pre-feasibility and feasibility studies and expectations with respect to the engaging in strategic transactions. All of such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and

statements. Specifically, there can be no assurance regarding the timing and terms of any transaction involving the Company or its El Capitan property, or that such a transaction will be completed at all. In addition, there can be no assurance that periodic updates to the

Company's geological technical reports will support the Company's prior claims regarding the metallurgical value and make-up of the ore on the New Mexico property. Additional risks and uncertainties affecting the Company include, but are not limited to, the possibility that future exploration, development, testing or mining results will not be consistent with past results and/or the Company's expectations; discrepancies between different types of testing methods, some or all of which may not be industry standard; the ability to mine precious and other minerals on a cost effective basis; the Company's ability to successfully complete contracts for the sale of its products; fluctuations in world market prices for the Company's products; the Company's ability to obtain and maintain regulatory approvals; the Company's ability to obtain financing for continued operations and/or the commencement of mining activities on satisfactory terms; the Company's ability to enter into and meet all the conditions to consummate contracts to sell its mining properties that it chooses to list for sale; and other risks and uncertainties described in the Company's filings from time to time with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events