



## BUSINESS UPDATES – 2022

from ECPN Board Chairman Doug Sanders

April 30, 2022

Well, I seem to have ‘money’ on my mind this week... and that’s not necessarily a bad thing. Together with our JV partner, we are in conversation with several entities and brokers to reach one of our next goals: Securing the funding we’ll need to order equipment, begin processing and production, and generate saleable Precious Metals which will begin our steady stream of cash flow. In my opinion, based upon months of meetings and discussions, it seems likely that we will find the investment funding we need... and more a case of ‘when’ and ‘on what terms,’ than ‘if.’ It’s my nature to be conservative and, that said, my gut is that the next few weeks will be important ones as we move into serious negotiations with several potential investors. As I’ve said, I’ve got money on my mind.

So this seems like a good time to “talk money”... and share some details on what it’s taken to get us to this point and how we’ve been able to accomplish all that we have.

I have received many compliments on the work that we have accomplished over the last year or so. They are all sincerely appreciated. Believe me, these accomplishments have only been possible because of the cooperation and donations from many shareholders. I think it’s time to share some overall details as to what money has been spent, to just keep us alive, and acknowledge the contributors, in a general and anonymous way.

I’ll start with rounded dollar amounts as to what’s been spent in major categories:

Legal – lawsuit attempt to unseat the Board	\$ 39,100
Land claims – re-establishment and renewals	\$ 31,000
Legal – lawsuit to force a court-ordered election	\$ 22,000
Website Support and Communications	\$ 14,000
Updated 43-101 Report	\$ 12,100
Mine expenses	\$ 10,300
Travel expenses	\$ 9,700
Mortgage settlement	\$ 7,500
Corporate filings	\$ 4,700
Testing	\$ 2,800
Election expenses	\$ 2,700
Permits – mining, air quality	\$ 2,400
Legal – misc. expenses	\$ 2,400
Taxes	\$ 1,000
<b>Total</b>	<b>\$161,700</b>

Shareholder Contributions by category:

Claims re-establishment and renewals	20 shareholder contributions
Lawsuit attempt to unseat the Board	16 shareholder contributions
Lawsuit to force court-ordered election	7 shareholder contributions
Updated 43-101 Report	1 shareholder contribution
Mortgage settlement	1 shareholder contribution
Website Support and Communications	1 shareholder contribution
Travel Expenses	1 shareholder contribution
Legal Expenses	1 shareholder contribution
Remaining Miscellaneous Expenses	1 shareholder contribution

Many contributors fall into more than one category and contributions have ranged between \$200 and \$65,000+. (Yes, the \$65,000 is yours truly.)

Here's the dollar breakdown by range for the 32 contributors:

\$100 to \$1,000	16
\$1,000+ to \$5,000	10
\$5,000+ to \$10,000	0
\$10,000+ to \$15,000	2
\$15,000+ to \$20,000	1
\$20,000+ to \$25,000	2
\$65,000+	1

We have approximately 6,000 shareholders, as best we could determine in 2020. Maybe it's 4,000 to 5,000 now. The work that we do is for the benefit of every one of those thousands of shareholders.

As I have said, beginning on the Election conference call 14 months ago and again several times over the past year, I have not received or accrued one dime — and won't until we're making money. In addition to the dollars I've contributed, I've dedicated the better part of two years of my time. We've reported solid and steady progress toward profitability. As we all know, there are no guarantees. All I can do is continue to focus on the future of El Capitan, my responsibility to shareholders, and doing all that I can to keep us moving on this path to prosperity.

One of my next priorities is getting us back in good standing with the Securities and Exchange Commission. This involves several options. And to that end we've identified both an SEC attorney and an accounting firm that will help us through this process. But... here we go again — the M-word. It's going to take some money.

Today I am prepared to offer shareholders another opportunity to play a pivotal role in moving El Capitan forward and will extend the same terms offered to those shareholders who've stepped up in the past — to fund the two 2020 lawsuits that resulted in moving from past management to the leadership team El Capitan has today, land claim renewals in 2021, the updated 43-101 report, and the mortgage pay-off settlement.

We've been told that it could take up to \$500,000 to get the job done, but I expect (after hours of meetings with attorneys and accountants) we will find a path to compliance for less than that. So I'm proposing that we launch another funding campaign that would allow us to begin this work immediately — to get our stock trading again.

As with the other funding projects, all contributions will be recorded and documented. And while I cannot promise — there are no guarantees here, either — that these funds will be repaid, I will commit to this: If, together, we can make El Capitan a profitable enterprise then all contributors will be repaid 100 percent of their contribution as well as a 50% premium. This cannot and will not happen until we are seeing positive cash flow and have a responsible plan for addressing and/or negotiating the debt that the company has been saddled with over the past decade.

All contributions of any size are welcome from shareholders who have an interest and the means, and I invite you to contact me personally ([AskECPN@gmail.com](mailto:AskECPN@gmail.com)) if you have any questions. As your leader, *your* El Capitan, I am totally committed... but I can't do this by myself. If our accomplishments and communications over the past year have given you confidence in my ability to get the job done, then your continued financial support will reflect that confidence. And I think, as many of you have communicated to me, that the work we're doing really comes down to protecting our investment. If we do nothing, that's exactly what we'll have to show for it... and the stock price will continue to be nothing more than a poor reflection of the true value of our asset.

Thank you for your trust and support as we take on one more challenge on the road to GOLD FEVER.  
Doug

**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.