



BUSINESS UPDATES – 2022

from ECPN Board Chairman Doug Sanders

June 30, 2022

As I've reported over the past few months, we continue to pursue several avenues for the funding we need to get operational. It's a waiting game — and a painful one, since I, like you, want to see El Capitan become a viable operation that delivers a return on our investment — and I keep reminding myself that due diligence and research and LOIs and NDAs and Proposals as well as forthcoming engagement letters (from 6 to 8 figures) and evaluating international financing offers that included SPVs (that we eventually declined, because of the significant up-front fees) all take time. That said, we anticipate some decisions and updates in the next few weeks. Getting financing for an operation of this magnitude is far different than asking your neighbor or friend for a \$5,000 loan.

In the interim, we continue to clean up the past:

- Last week a New Mexico judge ruled in our favor related to the eviction of the squatter who has lived in the house at El Capitan — without paying us any rent for years. The court ruled that the current occupant of the property who had no legal right to reside there must vacate the property within 30 days.
- As reported earlier this year, we successfully negotiated a settlement with the mortgage holder of the El Capitan property and, thanks to a shareholder who stepped up with the funds needed to release the lien, the property is free and clear. We are executing a quit claim deed that moves that residential property from private ownership by an individual to ownership by El Capitan Precious Metals, Inc.
- We are working with the U.S. Forest Service on a “swap” of two of our current patented land claims (representing 40 acres in area) that are “outliers” (relative to our two other patented claims, located at the mining site where the house is) for five different claims (approximately 100 acres) that are contiguous to our two, patented claims. This logical and prudent swap, which makes all our patented claims contiguous, was previously approved by the Forest Service, but rejected by a previous ECPN Board of Directors. Our agent on site in New Mexico has confirmed that this proposed “swap” has been submitted again to the Forest Service and we are awaiting its re-approval. The forest fires in New Mexico are diverting that agency's attention from this issue, but we are in frequent communication with them and will continue to monitor progress in getting this action approved.
- We have moved, via quit claim deeds, 12 claims that were held by El Capitan, Ltd. to El Capitan Precious Metals, Inc. ... where those assets should be held.

Our thanks to the shareholders who contributed to the fund that allowed us to secure, again, our 112 land claims. The annual renewal for the claims is due, again, in late August. The expenses just keep coming... and we'll continue to press forward on all fronts — with all the more reason to “get into business.”

We continue to look to the future and prepare for announcements to shareholders over the next few months. And to that end, we are working to gather shareholder information and update our databases. Hundreds of shareholders have already completed this Survey — Thank you! — and we're including the link (below) again here for anyone who hasn't yet completed the short survey.

Here it is:

<https://www.elcapitanpmi.com/shareholder-survey/>

In closing, and on a more personal note, I am grateful to the many shareholders who have reached out to me — to applaud our progress, to thank me for the time I've invested in righting our 'ship,' and to send their prayers... for me and for ECPN. It would be a fair assumption that I've said a few prayers myself... Several people have also urged me to "stay healthy" — so I can continue fighting 'the good fight' with strength and vigor. On that subject, I'm pleased to report that I am in great health and, while I'm no Spring chicken, I've got lots of spring my step. I bike 20 to 25 miles a day, hit the weight room 3 to 4 times each week, and just had my annual physical. My doctor's only recommendation after seeing my blood work was: "you obviously need to drink more water." I can do that. And I will... because I plan to stay in the saddle here for the foreseeable future. I have a group of advisors that I am in touch with constantly (some multiple times each day) and they are well informed related to the day-to-day work as well as plans (and players) related to our vision for the Company's future. And, when the time is right, I may ask them to serve, more formally, on your El Capitan Board of Directors. For today... all is well. And I hope you, too, will stay healthy — and hydrated — as our El Capitan Story continues to unfold... so we'll all be around for a victory lap when that day comes.

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.