



CORRECTING
INACCURATE OR MISLEADING STATEMENTS
MADE BY
FRIENDS OF THE CAPITANS

MARCH 2008

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El Capitan Precious Metals, Inc. (“ECPN”) has submitted permit applications to the US Forest Service and the New Mexico Mining and Minerals Division to conduct exploration activities in and around an existing, permitted mining area north of Capitan, New Mexico. The purpose is to determine if there is a sufficient precious metal resource to support the expansion of the current small mining operation, which has been operated intermittently for nearly 50 years.

A local opposition group, Friends of the Capitans (“FotC”), has been formed and has announced that they “have teamed up with a top environmental law firm, along with the Wild Earth Guardians and The Sierra Club” to oppose ECPN’s activities. That alliance should bring pause to ranchers, developers, and all citizens interested in the local benefits of economic development in the Lincoln County area.

In written comments presented to the Lincoln County Commissioners on February 19, 2008, as well as in recent articles published in the Ruidoso News, the leaders of the Friends of the Capitans (“FotC”) have made clear their approach and their extreme positions.

When hearing or reading “information” provided by this group, it is wise to remember that opinions and half-truths, no matter how stridently presented, or how often repeated, remain opinions and do not become facts. ***Inaccuracies do not improve with increased volume or frequency of delivery.***

As proficient authors supported by extreme environmental anti-development groups, the FotC leaders have:

- abandoned civil discourse;
- adopted the willingness to slur the character of respected and accomplished people;
- disseminated misinformation;
- made misleading or irrelevant comparisons; and,
- made blatantly false statements.

This rhetoric is generally wrapped in emotionally charged language. These are the standard tactics of groups with extreme positions. If the statements are repeated loudly and often, the expectation is that perhaps some people will begin to believe in them.

It is our position that most citizens of Lincoln County do not subscribe to such tactics, nor do they oppose the opportunity for a substantial increase in the number of good local jobs. We also believe that they understand that development in a community means changes will occur, but that change is not a synonym for deterioration. In fact, when one looks at modern mining communities such as Green River and Gillette Wyoming, or Elko and Winnemucca Nevada, it is obvious that mining is very good for the residents and their communities. On a local basis, mining means jobs, and jobs drive the economy.

There are certainly legitimate concerns that rational people should have about any industry operating within a community, including mining. These concerns should be addressed. But the discussion should be based in fact, not misinformation and emotional posturing. It should also be noted that from a local perspective, the most important product of commodity production is not the commodity, but the local jobs that are created. In a county with over 14% of the residents living below the poverty line, this fact should be part of the dialog.

El Capitan, in its public statements, has attempted to explain the facts without speculating on what is unknown. The FotC have taken those limited facts and jumped to unsupported and unlikely outcomes.

This document is an attempt to address some of the many incorrect or misleading statements that have been made by the FotC over the past weeks. The reader will note that the statements made by the FotC generally lack any factual basis or, at best, have only a fleeting association with the facts. That is the nature of anti-development group tactics.

Friends of the Capitans Recent Statements and/or Policy Positions	El Capitan Precious Metals, Inc. Correction, Clarification or Policy Statement
<p>“Always bear in mind that your own resolution to succeed is more important than any one thing” – Abraham Lincoln</p> <p><i>Source: Bi-Weekly Newsletter from Friends of the Capitans February 1, 2008 Lee Arnone and Debbie Higdon</i></p>	<p>We find it ironic that the FotC chose to include a very general quotation from Abraham Lincoln in their newsletter, rather than his more specific comments about mining.</p> <p>Lincoln said, in 1865: "Tell the miners for me, that I shall promote their interests to the utmost of my ability, because their prosperity is the prosperity of the nation."</p> <p>Those who believe that America can retain its economic position without the mining industry are misinformed. One need only look at today’s impact of importing large quantities of oil to see the economic results of relying on foreign supplies for critical natural resources. <i>More importantly, one should remember that from a local perspective, the most important product of commodity production is not the commodity, but the local jobs that are created. That is the prosperity to which President Lincoln was referring.</i></p>
<p>ECPN was surprised by the amount of local animosity they have experienced.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>About 100 people, including the curious and the supporters of the project, showed up at two public meetings. As the Lincoln County population is approximately 22,000, we cannot conclude that ½ of 1% representation indicates a groundswell of opposition.</p> <p>What was a surprise was the approach of FotC leadership. The willingness to abandon courteous, honest exchange of information for confrontational and emotional rhetoric was disappointing, but we were assured by other local residents in subsequent exchanges that the FotC did not represent them or their opinions. It would be prudent for all Lincoln County residents to remember that the groups with which the FotC has aligned itself have previously called for reduction or elimination of public land grazing, and have even opposed private land developments.</p>
<p>From the day they came into Lincoln County and illegally drilled test holes in our national forest, they have acted as if they are above the law and have shown no concern for the local citizens.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>During 2005 and 2006, mistakes that were made by individuals that misinterpreted the complex exploration drilling permitting processes. Those mistakes have since been recognized and addressed, appropriate penalties paid, and the responsible parties removed from management of ECPN. Over \$400,000 has been spent since Spring 2007 for activities related to cleaning up the site, including removal of trash hauled in by local residents who have used the area as a dump site over the years.</p> <p>ECPN has hired qualified environmental and legal professionals to ensure that the company carefully and completely adheres to all of the legal requirements of the permitting process and operating conditions.</p> <p>As far as the implication that ECPN has “shown no concern for the local citizens,” this is clearly an emotional response to the fact that ECPN does not agree with FotC’s politics, positions, or opinions. We categorically reject the notion that ECPN has shown no concern for the local citizens. Simply saying such an outrageous thing does not make it true.</p>

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<p>They want us all to feel as if we are doing a good thing for our country, keeping its industrial engines going while sacrificing the Capitan mountains for their precious minerals.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>The statement, "...while sacrificing the Capitan mountains..." is not at all accurate. The high Capitans are east of the exploration area. The area of interest is in a low saddle west of the main mountain range which already includes a state highway. The high mountains rise to 9,000 to 10,000 feet in elevation. The proposed exploration area rises to about 7,000 feet. The National Forest boundary begins at about 6,700 feet in elevation. The proposed exploration area is crisscrossed with roads and fences, as well as a large area which has been previously cleared of trees.</p> <p>We continue to contend that more higher paying jobs are good for the county, the state, and the country. Clearly, the FotC disagrees with that position. That is a fundamental political and public policy difference between FotC and ECPN. <i>We continue to wonder why there is so little interest in high wage jobs for Lincoln County residents on the part of the FotC when over 14% of residents live below the poverty line?</i></p> <p>Finally, to the issue of the value of "keeping the industrial engines going" in America, it might be worthwhile to note that the value of the raw minerals produced in the United States in 2007 was over \$98 billion (Source: USGS). This was produced by 182,000 citizens earning, on average, over \$50,000 per year; representing many of the highest paying jobs available in rural America. Generally these raw minerals were further processed into intermediate and final products, generating multiples of the initial value in additional economic activity. Yes, mining is important to keeping the industrial engines of our economy going. While no one ever directly advocates for a <u>less</u> affluent economy, the success of groups like the FotC and their partners would likely result in just that outcome.</p>
<p>The truth is, there probably will be 100-200 jobs if a mine is permitted.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>ECPN made the statement that the job increase could be 100 to 300 or more jobs at a mine site, with additional 2-3 local jobs for every mine site position. Clearly, the potential is substantially greater than indicated by the FotC in its gross misquoting of our statement. However, even if there were only 200 total new jobs, that would indicate an increase in private sector employment of over 24% compared to the 2nd Quarter 2007 employment levels in Lincoln County.</p> <p>However, as we have stated in the past, until more is known about the deposit, it is pure speculation to try to estimate the job potential of the opportunity. Therefore, the FotC claim of "truth," has absolutely no basis in fact.</p>
<p>However, per the mine's own representative, it will take no more than 10 or 12 years to complete this mining operation; thus, all of these jobs will disappear within 12 years.</p> <p><i>Source: "Mining: A short-term gain for a few at the expense of steady growth for all" Ruidoso News Article 02/21/2008 Debbie Higdon, Lee Arnone</i></p>	<p>If the deposit is proven to economically justify development, there would be a minimum required operational life of 10-12 years in order to support the capital investment. This does not include the 1-3 years of construction activity prior to a mine's commissioning.</p> <p>Typically, mines continue well beyond their initial expected life as additional reserves are identified during mining operations. The ECPN statement from which this time frame was lifted was quite clearly stated as a minimum. The FotC chose to repeat it incorrectly.</p>

**Friends of the Capitans
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Policy Positions**

**El Capitan Precious Metals, Inc.
Correction, Clarification or Policy Statement**

I am sure you are all aware that Lincoln County has historically surpassed state and national averages for economic growth and is on course to continue doing so!

Source:
Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008

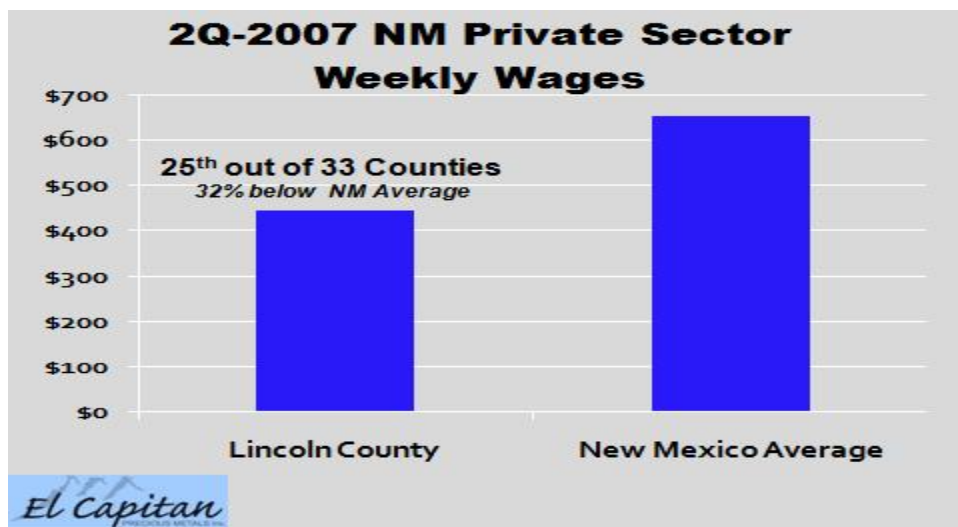
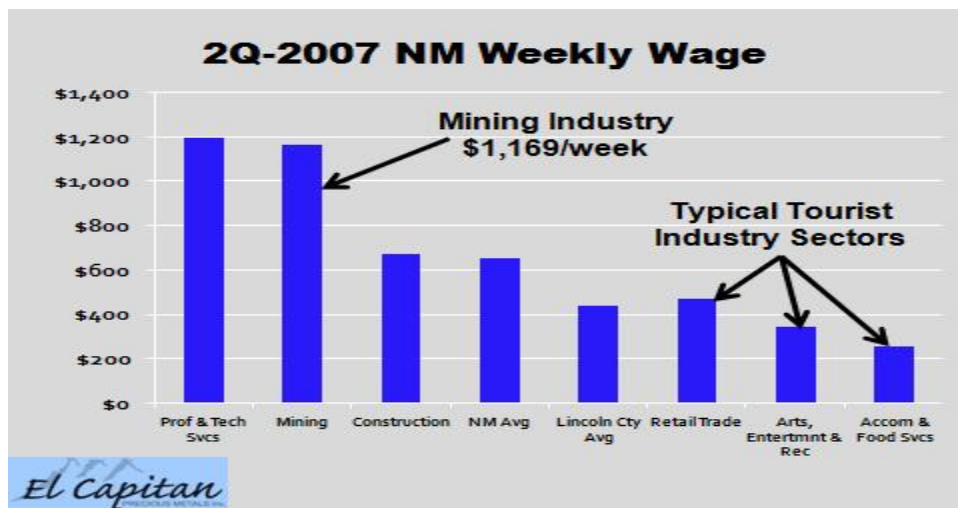
Every Capitan citizen we spoke to is insulted by the reference to a possible increase in their median household income.

Source:
"Mining: A short-term gain for a few at the expense of steady growth for all" Ruidoso News Article 02/21/2008 Debbie Higdon, Lee Arnone

According to 2006 Census estimates, over 14% of all residents of Capitan and Lincoln County live below the poverty line. In the county, median household income dropped between 2000 and 2004. Apparently, the FotC is referring to population, not income, when referring to the county's robust economic growth.

The 2Q 2007 Average Weekly Wage survey indicated that of the 830 private sector jobs in Lincoln County, the average weekly wage was \$444; 68% of the state average (\$654) and 38% of the average weekly mining sector wage (\$1,169) for the state of New Mexico.

It is surprising that there is such a lack of interest in job opportunities in the group being referenced by the FotC statement. Perhaps this group is not completely representative of all Capitan area residents actively seeking to improve their employment opportunities. Perhaps more young people from Lincoln County could remain in the area if better employment opportunities were available. **We strongly believe that the FotC does not represent the majority of Lincoln County residents, and we feel that it is disingenuous to make that implication.**



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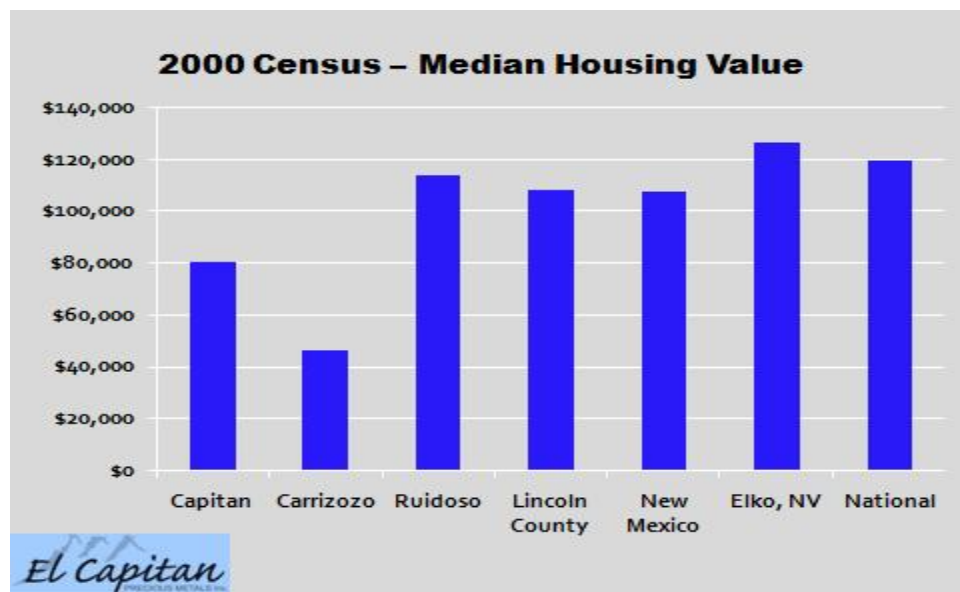
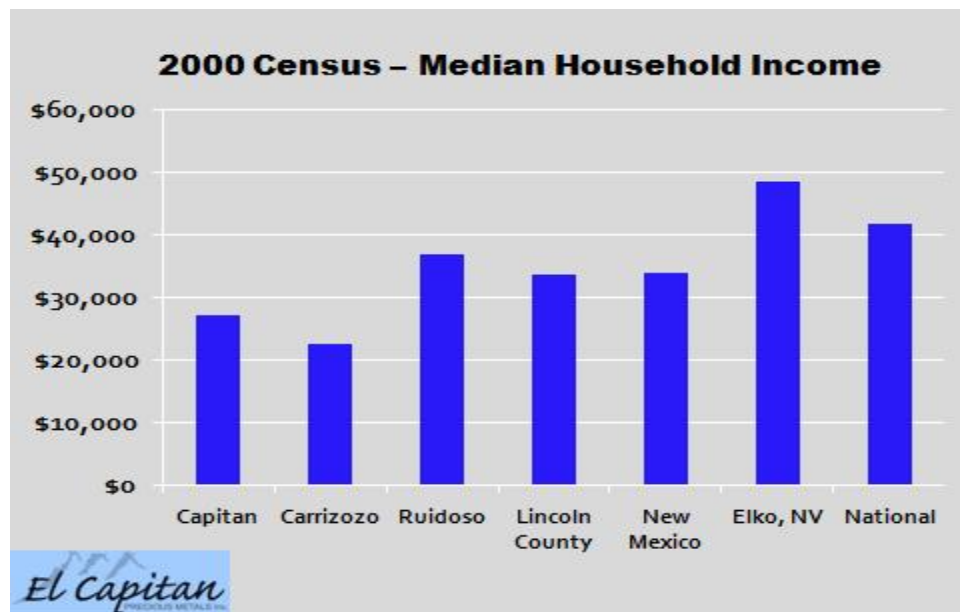
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El Capitan strongly supports this position. We do not believe that exploration and mining places a community's health and welfare at risk. To make such a statement is deliberately misleading and irresponsible.

As an example, note that Elko, Nevada, very much a mining community, was named as the #1 small town in the U.S. in the 1996 book, "The 100 Best Small Towns in America."

Not one of them would put their family's health and welfare at risk in order to increase their income.

Source:
"Mining: A short-term gain for a few at the expense of steady growth for all"
Ruidoso News Article 02/21/2008
Debbie Higdon, Lee Arnone



On the other hand, it has been widely documented by academics and the media that the **greatest risk** to a long, healthy life in America today is poverty. Recall that over 14% of Capitan and Lincoln County residents have income levels below the poverty line (2000 Census Data & 2006 Census estimates).

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<p>Not one of them would trade their lifestyles or their community for an increase in their income.</p> <p><i>Source: "Mining: A short-term gain for a few at the expense of steady growth for all" Ruidoso News Article 02/21/2008 Debbie Higdon, Lee Arnone</i></p> <p>I have done the research and I can assure you, our country does not need our mountain and our citizens do not want or need a gold mine.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>The first statement implies that lifestyles and communities would change for the worse. The statement's premise is unsupported and frankly hard to believe. The second statement implies that a small group of mining opponents speak for all residents of Lincoln County and, if you believe what is being said, the entire country.</p> <p>By many measures, the residents of Capitan and Carrizozo have lagged economically compared to other parts of Lincoln County, New Mexico, and the United States' averages. <i>Again, it is worthwhile to note that over 14% of Lincoln County residents live below the poverty line, and median household incomes dropped between 2000 and 2004 (2000 and 2006 US Census data).</i></p> <p>Clearly there are those that strongly oppose the possible development of the mine for personal reasons, but the large volume of printed articles and rhetoric by FotC does not equal the unanimous support of the community.</p> <p>ECPN representatives have been approached by residents who support the possibility of the mine but prefer to stay silent rather than engage the FotC leadership in debate.</p> <p>To imply that the FotC speaks for all of the residents of Capitan (or Lincoln County) that might benefit from the economic activity of a mine is disingenuous and simply not accurate. The veiled implication in the second statement that the FotC has somehow discovered the existence of a flaw in the laws of supply and demand in the international commodity markets is equally unbelievable.</p>
<p>In simple economics, slow down the stripping of our environment for minerals and force our manufacturers to begin using recycled materials and new technologies to produce all the goods that our economy requires.</p> <p><i>Source: "Mining: A short-term gain for a few at the expense of steady growth for all" Ruidoso News Article 02/21/2008 Debbie Higdon, Lee Arnone</i></p>	<p>Recycling will <u>not</u> provide sufficient resources to meet the demands of global, or even domestic markets.</p> <p>The rise of multiple vehicle and multiple home families, as seen throughout the more affluent areas of Lincoln County, is an excellent example of this expanding domestic demand for commodities. These FotC comments come straight from the radical fringe element of anti-mining and anti-development groups, and indicate a willful disregard, or lack of understanding, of basic economic reality.</p> <p>ECPN's interest in identifying and developing this resource is an appropriate response to the commodity markets and the country's need for resources and jobs.</p> <p>We do not believe that extreme political policy positions that would raise the cost of the majority of goods represent a favorable outcome for the country in general, or Lincoln County residents in particular. This is especially true for those residents who are not in the more affluent financial segment of the population.</p>

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<p>Don't let El Capitan PMI minimize the impact of this mine by separating our communities by socioeconomic status.</p> <p><i>Source:</i> “Mining: A short-term gain for a few at the expense of steady growth for all” Ruidoso News Article 02/21/2008 Debbie Higdon, Lee Arnone</p>	<p>A significant impact of any high-paying industrial operation in a community is to provide the opportunity for those in lower rungs of the economic ladder to reduce the gap between themselves and those who have already achieved their financial independence.</p> <p>ECPN is not trying to separate communities by socioeconomic status. On the contrary, we would like to help reduce the gap between these groups by providing opportunities for those interested in doing so to achieve a higher position on the economic ladder.</p>
<p>Most federal and state mining laws are antiquated, to say the least. They were developed to help spur settlement of the Western United States in the late 18th and early 19th century. As one of our members puts it, "Someone needs to tell our governments that the West has been settled."</p> <p><i>Source:</i> “Mining: A short-term gain for a few at the expense of steady growth for all” Ruidoso News article 02/21/2008 Debbie Higdon, Lee Arnone</p> <p>That law (1872 Mining Law) no longer is relevant, but reform seems unlikely, she said.</p> <p><i>Source:</i> “Mining moratorium urged” Ruidoso News article 02/21/2008 Diane Stallings reporting on Debbie Higdon comments.</p>	<p>The 1872 Mining Law, as well as many related laws, have been modified various times since their enactment and will continue to be adjusted to meet the needs of today’s society. The Mining Law is designed to encourage companies to spend the millions of dollars of high risk capital on the exploration that is necessary to ensure a secure supply of commodities and jobs for the country.</p> <p>Contrary to the popular myth spread by anti-mining groups, a major purpose of the 1872 Mining Law was to provide minerals and wealth to the country. Settling of the West was primarily covered by the Homestead Acts through which 12.7% of the land area of the United States was sold or granted to individuals. The 1872 Mining Law has sold a total of 0.15% of the U.S. land area through patented mining claims. An additional 0.32% of the total land area of the country is currently held under unpatented mining claims; primarily for exploration purpose. The majority of those claims will eventually be dropped through the exploration process.</p> <p>We do not accept that a law is irrelevant simply because of the date of enactment. Does the law accomplish what it was designed to do, and are the needs that it was attempting to meet still in existence? In 2007, the U.S. Mining industry provided \$98 billion in raw mineral product value, and 182,000 direct mining jobs paying, on average, over \$50,000 per year. We strongly believe that the answer is yes to both questions.</p> <p>This is one of the many laws under which ECPN operates, and the United States is a country which follows the “rule of law” rather than “rule of the loudest group or most strident individual.”</p> <p>The FotC’s stated position is to eliminate all mining and require the country to live by recycling the existing resources that have been historically mined. This position goes beyond even the most radical positions of many of the environmental groups affiliated with the FotC. It also is a position that defies the natural laws of supply and demand, and ignores the realities of global markets.</p>

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Since 2003, claims on public land in the 12 Western states has increased by 80 percent.

*Source:
Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008*

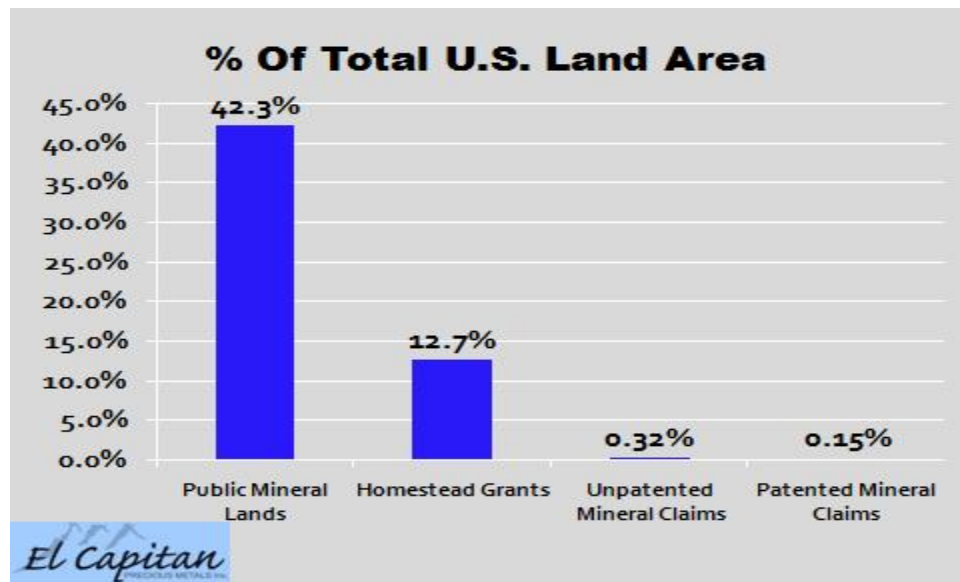
The truth is, the Western United States is in the midst of a “land rush” - a frenzy of claim staking that is wildly escalating each day driven by high prices for precious minerals.

*Source:
Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008*

Between 1996 and 2006, the most recent data for which the government’s *Public Land Statistics* publication is available, the total number of unpatented mining claims has remained within a 10% range; moving between the high set in 2005, and the low set in 1996. The total number of claims in 2003 was actually greater than the number in 2006. The number of active unpatented mining claims in 2006 was 5% greater than the number in 1997; a year in which gold prices stayed below \$400/ounce, not rebounding to that level until 2004. This FotC statement, while based on actual facts, is presented in such a way that the reader is misled.

In light of these fact that total claims, as well as active claims, are not substantially different from recent historical levels, the second statement by the FotC can clearly be described as misleading, at best, or an attempt to cloud the truth, at worst.

Currently, about 0.32% of the US land area, or 0.75% of federal mineral right land, is under mineral claims. These claims provide over \$50 million per year in revenue to the government as annual filing fees.



The vast majority of the unpatented mineral claims represent land holdings that are generally in flux. The lands have typically been staked before active exploration begins. Generally, the exploration will prove to be unsuccessful and the claims will ultimately be dropped. It should be noted that since 2005, ECPN has **dropped** about 3,000 acres, or 30%, of its mineral land claims in Lincoln County.

Clearly, claimed land is not the fearsome issue that FotC would have the public believe, regardless of the outrageous language and false statements used to try to make that case believable.

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<p>Please understand, this land rush is sweeping the West despite the remnants of earlier generation mines which have left a legacy of death and disease and despite the fact that mining as a whole is our leading source of toxic pollution.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>The “legacy of death and disease” statement is somewhat hard to understand. Mining is a very safe industry and this statement is vague and unsupported.</p> <p>The statement does seem to reference operations that are “generations” old, but even at that, the legacy issues are not clear. Clearly some historical operations that were opened decades ago have legacy environmental issues, but certainly not “death and disease.”</p> <p>This statement, and many others in the FotC diatribes are vague, unsupported, and can be most accurately described as emotional outbursts of half-truths and misinformation.</p>
<p>They commonly use cyanide or other chemicals to extract the metal, resulting in what is termed acid mine drainage.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>First, while sodium cyanide is commonly used in the gold mining business, it is not clear that such a chemical would or would not be used at El Capitan. Further, cyanide (CN) breaks down in sunshine into nitrogen (N₂) and carbon dioxide (CO₂), both naturally occurring elements.</p> <p>While sodium cyanide is a chemical that must be handled carefully, it is important to note that there has never been a single case of accidental human death from cyanide associated with the US gold mining industry.</p> <p>Second, in order to have acid mine drainage, which is totally unrelated to sodium cyanide processing, the rock must be sulfidic in nature and the mine must have leaking groundwater. Since El Capitan is not a sulfide mineralization, and since the precious metals occur above the water table, the possibility of acid mine drainage is inconceivable. While not as sensational as the FotC claims, these are the facts.</p>
<p>Because of the dire threat that mining places on our natural resources and every citizen’s health and well being, many local and state governments are taking mining reform into their own hands.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>To begin, we are unclear on the quantitative measurement of “many local and state governments.” A better description would be “a precious few.”</p> <p>Secondly, this is an approach which has resulted in lawsuits that have cost local government entities significant amounts in both legal fees and unfavorable “takings” damage judgments.</p> <p>Retroactive changes in laws specifically designed to prevent an individual or organization from realizing previously acquired economic value potential can be very costly.</p> <p>Most local governments generally believe in working within the laws of the land for the betterment of all residents, not just special interest groups. It is our expectation that Lincoln County residents would agree with that position.</p>

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<p>Any mining company that claims to protect the environment is the one making the ludicrous comment.</p> <p><i>Source: "Mining: A short-term gain for a few at the expense of steady growth for all" Ruidoso News Article 02/21/2008 Debbie Higdon, Lee Arnone</i></p>	<p>Mining disturbs the environment, that is true. So do housing and commercial developments, roads, ranches, farms, airports, malls, and almost all other human activity.</p> <p>Mining companies, as well as state and federal regulatory agencies, work very hard to minimize the impact of mineral extraction and to protect the quality of the surrounding air, land and water.</p> <p>The position of the FotC appears to be that either all mining should be prevented or, perhaps, just the mining near their members should be prohibited.</p> <p>The first position is economically untenable for the country, the second is classic "not in my backyard" politics. Both positions are valid personal opinions, but perhaps not an appropriate basis for making decisions concerning the economic opportunities of those Lincoln County residents who do not own multiple homes, or who are interested in opportunities to improve their financial lot in life without leaving Lincoln County.</p>
<p>Lee Arnone said that if the project moves from the exploratory to the mining phase, "several hundred people will be camped up on the mountain to work," affecting schools, county roads and other burdens to the infrastructure of Capitan and the area.</p> <p><i>Source: Ruidoso News Article 02/21/2008 By Julie Carter quoting Lee Arnone speaking to the Village of Capitan Board of Trustees</i></p>	<p>The idea that workers being paid typical mining wages would be "camped up on the mountain" is not an accurate depiction of what would occur. Typically, when a new mine opens in an community, the local real estate market experiences growth as the workers, whether local or new to the area, buy, build, or rent homes. Retailers and professionals in the area also enjoy economic growth as the additional families purchase needed goods and services.</p> <p>The concept of the impact of a mine in the area should be looked at from many perspectives, including the following important time-line milestones:</p> <ul style="list-style-type: none"> • The El Capitan land area was patented as a valid discovery in 1911. • The mine has operated intermittently since the 1960's. • The El Capitan property holds a valid operating permit. • All official maps of the area show the location as a mine. <p>These facts should be kept in mind because the deposit and mine were in place when many of the current opponents chose to become close neighbors to the mine.</p> <p>It is not yet clear whether there is sufficient resource for the development of a larger operation at El Capitan. That is the reason for the exploration program. Until it is clear whether expansion of the previous permit is feasible, and what the footprint of disturbance might be, the extent of the impact on neighbors is unknown.</p> <p>If the deposit has economic viability, there will be financial capacity to mitigate or otherwise address significant negative impact on the neighbors and the community.</p>

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<p>Proposed drilling could come within 100 feet of the Fort Lone Tree's fence.</p> <p><i>Source: "Mining moratorium urged" Ruidoso News article 02/21/2008 Diane Stallings reporting on Debbie Higdon comments.</i></p>	<p>This is a true statement. However, it is also true that drilling an exploration hole will require 1-3 days. That is the length of time of the disturbance in that area for the drilling. Depending on the terrain, there may be a day or two of access work also involved. This does not represent an extreme hardship to anyone.</p>
<p>These state organizations (<i>NM-MMD</i>) indicated to us that the proposed exploratory drilling is the largest exploration project of its type ever proposed in New Mexico.</p> <p><i>Source: Presentation to Lincoln County Board of Commissioners By Debbie Higdon of Friends of the Capitan Tuesday, February 19, 2008</i></p>	<p>First, it is important to note that the time frame of "the largest exploration project of its type ever proposed in New Mexico" is actually since 1994, when the New Mexico Mining Act became law. That year coincided with the beginning of a long slowdown in global mining activity due to depressed commodity prices. During such periods, drilling is dramatically reduced. Exploration activity has only recently begun to rebound.</p> <p>Secondly, a 112 drill hole program is actually a relatively small overall exploration drilling program. What may be more unique in this case is the approach of bundling all of the holes into one exploration permit application. ECPN elected to move forward with such an exploration permit due to the time requirements of the Federal NEPA process that the USFS chose to follow; specifically Environmental Assessment (EA) versus Categorical Exclusion (CE).</p> <p>Most exploration companies working on Federal land are under the direction of the Bureau of Land Management, which generally follows the Categorical Exclusion (CE) procedure for quickly permitting drilling applications. That option did not appear to be open to ECPN under USFS guidance. Therefore, the decision was made to bundle a large number of <i>possible</i> drill sites into one application.</p> <p>The 112 exploration holes in the ECPN permit application will be drilled in phases over a 3+ year period. Depending on the results of earlier phases of drilling, some, or even many, of the proposed holes will never be drilled.</p>