



Business Updates | 2018

June 6, 2018

The El Capitan Board of Directors reports the following updates on the state of the Company:

At this critical juncture in the Company's history, it is imperative that the leadership team be advised by experienced problem solvers gifted with the ability to work well with other team members. The immediate requirement is to develop a clear and detailed plan which will drastically increase enterprise value and recover shareholder confidence. For that purpose, we believe we have assembled that team of outside advisors.

Our Legal Team The Company has been guided by the first-rate consulting and securities law services of the Maslon Law Firm, working with Bill Mower and Alan Gilbert, for approximately 15 years. To complement that legal team, we have retained Jeff Proper, a proven expert, who, we believe, will guide us during this period of required austerity and day-to-day decision making. His resume is accessible via a hyperlink below. Jeff Proper has been working with Tim Gay for many years during which Tim served his clients as a business valuation expert, expert witness, and business consultant. Additionally, Jeff is well connected with Semple Marchal and Cooper, our independent accounting firm to which he has been providing legal services.

Our Auditors As some may recall, the Company recently endured an almost catastrophic issue. Its long-time auditors chose, at the last minute, to resign the account due to what ultimately became a resolvable issue. Within three days, Tim Gay was able to retain Semple Marchal and Cooper as replacement auditors. Mr. Gay has had a decades-long association with that firm and has been serving as a principal and performing "concurring partner reviews" on SEC (public) audits. In order for the firm to perform the independent audit, Mr. Gay could no longer serve as a principal with the Firm nor can he perform the aforementioned reviews.

Our long-term CFO, Steve Antol, due to Mr. Gay's introduction decades ago, has worked with and is very familiar with the accounting firm and its partners. This made the transition relatively seamless. Antol and Gay met in the 1970s where they worked together on the audit staff of a national CPA firm. Over the past years, they have maintained a close professional and personal relationship.

The Team In summary, the management and board of the ECPN has assembled a multi-talented, highly professional, close-knit, and qualified team. Many of these individuals have had very long-term relationships with each other. Mr. Gay continues to office at Semple Marchal and Cooper and maintains constant contact with our audit team comprised of Steve Marchal (audit partner), Paul Tomasik (audit manager), and Robert Semple (managing partner).

We are working diligently to complete our operating plan for the near- and long-term future of ECPN. In the not-too-distant future, and when deemed meaningful and effective, it is our intention to call a Shareholders' Meeting. In the meantime, it is our intention to keep our shareholders fully informed.

Jeff Proper's CV is available via this link: [Jeffrey Proper Resume](#)

[Forward-Looking Safe Harbor Statement:](#)

The statements included in this press release 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.

May 23, 2018

The El Capitan Board of Directors reports the following updates on the state of the Company:

El Capitan Looks... "Back to the Future"

Oftentimes, the best way to see the future is to look to the past. The Company plans to look back and come to terms with where it has been and where there are significant opportunities or procedures that were overlooked or missed. The only significant document regarding the property is the NI 43-101 dated January 6, 2014, written and certified by geologist Dr. Clyde Smith. In the mining industry, this document represents the 'Holy Grail,' and offers a road map of the property. The company has re-engaged Dr. Smith to provide consulting services and guidance in turning this property into a profitable endeavor.

This action is required because the Company was left with no documentation related to the most recent Pilot Plant operations. We have no data regarding the levels of concentration of the ore, no information regarding the process used to produce the concentrates, no defined method of turning the concentrates into precious metal. Dr. Smith and the Company CEO met and defined this project. This action supports the Company mission statement to "...maintain compliance with industry standards."

Dr. Smith was at the mine site the week of May 14, 2018 and completed his preliminary work. He collected two samples of head ore, each greater than 10 kilograms. These two samples were collected at previous sample sites EC-10 and EC-11 (Ref NI 43-101). These two sites were selected because of the relatively higher content of precious metals during the initial assay procedure. These samples were transported, under chain of custody protocols, for testing by Dr. Smith. The following phased plan has been initiated.

Analytical

This is the assay portion of the project. A determination of what is contained in the material being tested. Is there sufficient precious metal to make this project potentially profitable? This phase can be done rather rapidly. And from past experience the results of this phase should be positive.

Bench Scale

This is the portion of the project that determines the extraction method to be used to separate the precious metals from the iron ore. There are various methods available and ECPN will select the method that is most cost effective, least harmful to the environment, and repeatable in a large-scale production environment.

Bulk Scale

This phase utilizes the methods identified in the Bench Scale phase and implements them in a mini production environment. During this phase the amount of material processed could be on a scale of tons. Once a firm scale model is developed and tested, the Company would then be capable of building a Pilot Plant at the mine site replicating the Bench Scale model.

Pilot Plant

The Pilot Plant would be constructed at the mine site. The capacity of production would be determined at that time, but it is expected that revenue generated could be significant.

As this work continues the shareholder community will be informed of the progress.

Additional Updates:

- The concentrates shipped to Canada have been located and positive communication between the parties is ongoing. The sides are negotiating the protocol for the return of the material.
- While at the mine site, Dr. Smith collected approximately 20 kilograms of “concentrated” material. This material will be assayed to determine the potential value. If positive results are achieved further testing will commence with the goal of turning this material into revenue for the Company. The concentration level of this material is not known and the quantity is undetermined.
- The iron ore project proposal which was received by the previous management group has never formally been presented to the Board of Directors. There has been no review or discussion, but the Company’s understanding is that there is a Letter of Intent as well as a Non-Disclosure Agreement. The Board of Directors has not made a decision related to this project.
- Funds to finance the phased testing program, the return of the concentrates, and immediate cash requirements have been secured from members of the Board of Directors.

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