



## Business Updates | 2019

August 12, 2019

*The El Capitan Board of Directors reports the following updates:*

### **ECPN Status Report**

#### ***Business Development***

- **Sale of Iron Ore Product** – ECPN entered into negotiations with a major domestic iron and steel producer in 1<sup>st</sup> Qtr. 2019 for delivery of iron ore concentrate. The company expressed interest and ECPN has presented them with a proposal. The iron ore concentrate was required to meet a minimum standard acceptable to the iron ore industry. Extensive testing by multiple independent facilities determined that the iron ore concentrate met this requirement. Discussions are underway to determine the medium that the material is to be delivered, how the material is to be delivered, and where the material is to be delivered. Negotiations with the end user are ongoing and terms will be released immediately upon signing. No completion date for signing has been designated.
- **Processing of Precious Metals** – ECPN is currently working with a facility that will be able to process the precious metals separated from the head ore and further concentrate the material using a vat leaching process. ECPN will be visiting the processing facility in the near future to determine the viability of the facility to meet ECPN's requirements. These negotiations are in the early stages and terms will be released immediately upon signing. No completion date for the signing has been designated.
- **Additional Vendors and Suppliers** – ECPN is in contact with additional vendors, suppliers, and organizations with acumen in various vertical markets that would enhance the overall ECPN operation.

#### ***Operational Projections***

ECPN anticipates that in the event a formal agreement is entered into as a result of the current negotiations, the Company will enter into an agreement with a contract miner to perform the day-to-day mining operations.

As previously stated, the extraction, grinding, and separation will yield two potential revenue streams. The iron ore will be sold to an independent producer of iron and steel, with the precious metal fines being processed in a vat leaching facility. This next step with the precious metals will be the fulfillment of the bulk scale test as previously reported. Thus, ECPN will have the ability to produce material suitable for the generation of dore bars. Also, the volume of the precious metals fines will allow ECPN to sell these fines to other vat leaching facilities.

#### ***Capital Requirements***

ECPN is in need of working capital. Management and the Board are taking no compensation in the form of salary at this time. The capital raised is used to pay the monthly ongoing operations such as permits, insurances, mine site security, power, web-site support, BLM claim filings, and storage. The capital required on a monthly basis is \$25,000 per month.

#### **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