



## **Board Chairman Doug Sanders Shares Updates and Answers Shareholder Questions**

**July 19, 2021**



*Thank you for your support and messages of encouragement as we work to make 2021 the year that will change the course of El Capitan history.*

### **Greetings from Texas...**

I am traveling this week on behalf of ECPN and am writing this update from the state of Texas, on my own time (and my own “dime,” since ECPN’s financial position is perilously upside down) to meet with potential buyers for El Capitan’s precious metals (PMs) and iron ore. There are many moving pieces in getting our ore to market and I’m talking with several people regarding operations, logistics, market prices, and potential buyers. The goal is pretty straightforward: To get us into business and generate revenue. If I’m learning one thing on this complex journey, it is: This is not a fast process.

That said, I continue to be distracted by collection agencies (more on the \$3 million in debt that the company is saddled with below...), SEC issues, shareholder questions, and lots of back-and-forth with a few disgruntled shareholders who seem extremely concerned and inquisitive about what we’re trying to do. I doubt they expressed any concern at all about the previous board’s lack of productive action. And that may be understandable, as there was little communicated related to its actions and no direct way to communicate with them. One of my first actions was to change that. These vocal shareholders seem to know more about the company’s past and present than I (and my team of advisors) do. I will continue to work on behalf of all shareholders to the best of my ability and given the limited cash resources we have to work with.

### **Shareholder Question: Shareholder Support**

I’m getting the feeling that we finally have someone with some business experience, determination, and a ‘get-er-done’ attitude calling the shots for ECPN. Improved communications, alone, speak to that. Thank you, Doug. What can I and other shareholders do to help move us forward toward seeing light at the end of the tunnel in terms of creating value for shareholders?

### **Doug’s Response:**

Thanks. And thanks for asking. I’ve had quite a few shareholders contact me with offers of support and assistance. Some have offered their time and experience in assessing future opportunities. Others are offering funding for equity interest, which I am not leaning toward at this time. We have a mountain of debt and very little stock to allocate, thus further dilution of our stock is not a viable option. A few shareholders have offered

financial support in terms of non-secured loans and I have taken a few of them up on their offers — to help cover some of the expenses that have been necessary to simply function in a most basic way, expenses such as attorney fees, state filings, permits, and some operating expenses that are essential if we are to move forward. It's my intention that those loans will be repaid when we see revenues and cash flow, but there are, certainly, no guarantees. As an added note, I have been by far the largest contributor in covering these expenses and I hope shareholders will see that as further evidence of my personal commitment to guide El Capitan out of the mess we're in and into profitability.

That all said, there are opportunities on the horizon and I continue to explore those... with the goal being a path to operating options and securing buyers for our precious metals (PMs) and iron ore. If you have an interest in offering financial support, you can contact me directly at: [AskECPN@gmail.com](mailto:AskECPN@gmail.com)

**Shareholder Question: SEC**

Is it true that brokerage houses will stop handling transactions on stock for companies that are delinquent in their SEC filings?

**Doug's Response:**

We've been looking into this and, as best we can determine, TD Ameritrade will no longer be buying ECPN stock for its clients after August. That is a direct result of the SEC announcement related to delinquent filings. We don't know if other — or all — brokerage house will follow suit. It's certainly a possibility, and even likely.

We are three years delinquent in SEC filings and that's a \$370,000 problem. The previous Board took no action to address this and it's one more problem that I've inherited... as well as approximately \$3 million of debt. Our financial advisors estimate that it'll take approximately \$375,000 to get our SEC filings up to date. This includes the preparation of the new audits that are required but *does not* include payments due the accounting firm in arrears (totaling well over \$135,000) for work completed over the past three years. All in, it's over \$500,000. Which means we'd need either an infusion of operating capital or the sale of iron or precious metals. To repeat: the plan is to get into business, generate cash flow... and start fixing this mess.

**Shareholder Question: Forums and Chat Rooms**

A few shareholders have referenced that they "saw" something that concerned them on "a forum" or that they plan to post their thoughts and opinions "on a forum"...

**Doug's Response:**

I have only one thing to say about this: The official communications channel for El Capitan is our website: [elcapitanpmi.com](http://elcapitanpmi.com)

We have started and will continue to post Business Updates, Q&As, and News Releases as we have information, news and updates to share. While shareholders are certainly free to frequent or engage in any forums or social media channels they choose, please know that what you see may not be accurate or true. We suggest you visit the website and register your email (via Stay Connected option on the website) so that we can share news and updates directly with you if you want them, or communicate directly with me via [AskECPN@gmail.com](mailto:AskECPN@gmail.com)

**Doug Sanders.**  
**Board Chairman and President**  
... and your 'El Capitan'

I welcome questions from shareholders and will do my best to give you straight answers.  
You can reach me at: [AskECPN@gmail.com](mailto:AskECPN@gmail.com)