



“The solution was simple, it just hasn’t been easy.”

El Capitan PRECIOUS METALS, INC.

BUSINESS UPDATES – 2025 from ECPN Board Chairman Doug Sanders

February 21, 2025

For several months I have been making references to the funding that we are in the process of securing. I have come to learn over the past year how complex and difficult the process actually is. We have a tremendously valuable asset in the El Capitan mine which is increased further by the precious metals recovery process that our joint venture partner brings to the table.

When I first took over the reins, there were so many emergency issues to deal with that funding was actually not the top priority. I’ve shared a lot, over the years, in that regard... related to searching for money to cover legal expenses, land claim renewals, and reinstating our air quality permit. It’s actually a very long list. Thanks to the confidence, prayers, and support of a group of shareholders, we have stayed alive and can now focus on the future. And, over the past year, funding has not only moved up the list, but has topped it.

As many of you know, the company had done a lot of lab bench testing over the years. That didn’t accomplish what my predecessors had hoped. And my strategy has always been to prove value in the field — not “on the bench.” To that end, we initially thought that conventional loans or borrowing might be the logical approach to take. And even though some offers were made, they were not large enough to really get us into business or were offered on terms that did not serve our shareholders or our future. The offers for investment always included a significant equity position, to which I was adamantly opposed. So, we continued to look for alternatives and started exploring other less conventional methods of raising funds.

One opportunity led to another... and more often than not the opportunity turned out to be unworkable. Sometimes we were bigger than the funding source could handle; other times those who put offers on the table were unqualified and merely thought they could 'play in this market.' or were not honest and trustworthy.

Months ago, we decided to use our asset, which is an extremely valuable one, in a far different approach to raising funds. We were invited to participate in an asset-monetizing program, or what is called a PPP (Private Placement Program). It seemed like a good fit. It wouldn't require us to relinquish any equity, shoulder unreasonable or untenable debt and debt service, or put any of our assets at risk. It simply allowed us to leverage our asset value.

Lo and behold, in recent weeks, I watched President Donald Trump and Treasury Secretary Scott Bessent speak from the Oval Office at the White House about monetizing the *assets of the United States*... to create, via an Executive Order, a Sovereign Wealth Fund and put our country's assets to work. These are precisely the types of funding programs we are currently participating in... leveraging the assets of El Capitan. In the official signing ceremony Secretary Bessent said that a Sovereign Wealth Fund would allow the government "to monetize the U.S. balance sheet for the American people. We're going to put the assets to work." Today we, too, are putting our assets to work... our *El Capitan assets*.

We have learned that this is a complex process with many moving pieces and we've been at it for months. Years, actually. And, as I've mentioned, we were invited to participate in these programs.

Sovereign Funds created via the monetization of assets aren't a new concept. According to Reuters and Barron's, "there are about 90 state-owned investment funds in the world managing more than \$8 trillion on behalf of central and subnational governments, according to the International Forum of Sovereign Wealth Funds. Simply put, these funds operate as institutional money managers for their nations."

I can now report that we have written confirmation on funding. It is possible, if not probable, that we will receive the needed funds within the next few weeks. Moving global funds, I have learned, involves many agencies and entities that tend to stall transfers for a variety of reasons, often both self-serving and frustrating. These can include the local foreign banks, the foreign central bank, the Bank of International Settlements (BIS), our Central Bank (FED), and our local banks as well. We have also learned that an extended global holiday season – from Thanksgiving to Christmas to New Years... followed by Chinese New Year – allows the financial world, for all practical and transactional purposes, to basically shut down. Then there is the anticipation of a new Administration and the Inauguration which, believe it or not, gave banks around the world yet another reason to slow-play (aka: stall) action and progress.

I will have more specifics on all of this in the days and weeks to come. This funding will be sufficient to purchase our mining equipment, set up the precious metals' recovery site and operation, repay all the contributors (including the promised premiums on those contributions), bring our accounts payables current, get our stock trading again, schedule an Annual Shareholders Meeting, and, I might add, celebrate this milestone in the history of El Capitan.

It's been a long, hard road, much like a prolonged tractor pull contest. I can now say what I have long believed: "We have always had the horsepower."

Your El Capitan,
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.