

President's Letter

REPORT TO SHAREHOLDERS:

Equity Metals Corporation's Flagship Property is the Silver Queen precious- and base-metal property in British Columbia. Equity conducted two over-subscribed financings in 2020; Cd\$1,904,353 in a "hard" financing in August and \$2,366,022 in a "flow-through" financing in December. Funds were partially utilized to complete two drilling programs in 2020, with the second just finishing in December. The highlight of the first program was hole SQ20-010, which intersected bonanza-grade silver on the Camp Vein, including 0.3m grading 56,291/t AgEq within 4.5m averaging 4,718g/t AgEq (for details see NR-12-20, Oct 19, 2020). That intercept was open to depth and along strike, so offsets to that intercept, as well as other portions of the Camp vein, were the focus of the second drilling program.

Assay labs have been seriously affected by Covid-19 pandemic restrictions, resulting in long turn-around times for assays. The Company is still awaiting assays from the first drilling program from holes on the Number 3 vein, which was the primary focus of that program. Additional drilling is scheduled for late January at both the Number 3 vein and the Camp vein utilizing flow-through funds already raised.

A summary of the Company's assets:

Silver Queen Precious- & Base-Metal property – This is a past-producing Au/Ag/Zn epithermal vein system which already has a significant high-grade resource, primarily on the Number 3 vein. Drilling in 2011 intersected porphyry-style copper/molybdenum/gold mineralization to the southeast of the epithermal veins and may be genetically related to the vein system, which together, constitutes a large, district-scale exploration opportunity. Such systems are typically well zoned, making geochemistry and alteration strong predictive tools to discover extensions to known mineralization as well as to discover new blind mineralization.

In addition to the amount and quality of the 2019 Mineral Resource Estimate and recent exploration drilling success, Silver Queen has several other attractive features that contribute to it being the Company's flagship property, including: a) the property is wholly owned by the Company with no underlying option payments and no royalty burdens; b) logistics are excellent with good road access from the town of Houston, a small camp on site, topography being moderate, and location in a snow shadow; c) abundant mining activity occurs in the region; and d) power and water are available. Access issues to portions of the property are being addressed and a 5-year permit for drilling has been received and bonded. Drilling is expected to begin again in Q1 2021.

Monument Diamond property - The Company holds a 57.3% interest and is operator of the Monument Diamond Project, located about 40km from both the Diavik and Ekati diamond mines. The property hosts 12 different diamond-bearing kimberlites with a total of 2,437 microdiamonds recovered from past drilling; the largest discovered to date being 0.445 carats. Carbon has been identified in some of the kimberlite pipes on the property, indicating a near surface, eruptive level of the kimberlite pipe. Collapse after eruption of the kimberlite tends to dilute the diamond-bearing kimberlite with unmineralized material that falls into the crater, including carbon from surficial plant material.

Diamonds are not all the same and value is determined by the types of diamond as well as individual sizes of the diamonds. Typically, a small percentage of the diamonds in a kimberlite provide almost all the profit,

and new types of analyses are now available that can assist in evaluating the quality and value of diamond deposits.

Although the diamond market currently is very soft, experts note that several mines are expected to be depleted over the next several years; thus, we consider Monument to be a valuable asset that does not need to be aggressively pursued at this time.

WO Diamond property – The Company holds a minority interest in the WO Diamond property, which immediately adjoins the Diavik Diamond Mine claims. Joint-venture ownership consists of DeBeers Canada (72.13%), Archon Minerals Limited (17.57%) and DHK Diamonds Inc. (10.30%), with DeBeers being the project operator. Equity Metals owns a 43.37% interest in DHK Diamonds Inc. An encouraging 2007 bulk sample produced individual rough diamonds up to 9.45 carats. DHK has not received proposed work plans for 2020 or 2021 from DeBeers.

Greenwood Royalty – The Company holds a 1% NSR royalty interest in Golden Dawn’s Phoenix Property, which includes several past-producing precious- and base-metal historic mines. Golden Dawn has the right to purchase half of the royalty from the Company for \$1.2 million. Equity’s royalty claims include the Phoenix open-pit mine, where Golden Dawn’s website reports that approximately 25.5 million tons were produced at an average grade of 0.9% copper and 1.1g/t gold between 1959 and 1976. Additional production of approximately 1.7 million tons was reported from other mines on the royalty claims. Golden Dawn also holds a land package immediately to the south of Equity’s royalty claims that includes the Greenwood mill. Equity does not hold any interest in this southern group of claims, but Golden Dawn’s Greenwood mill might be used to process material from the Equity’s royalty claims. Golden Dawn announced in December plans to fly an airborne geophysical survey over Equity’s royalty claims during January 2021 to develop drill targets. The Company is holding the royalty for potential value to Equity.

Saskatchewan Silica Sand property – The Company holds a lease for silica sand, which expires December 2024. Although silica has many industrial uses, in most cases the value is strongly influenced by shipping costs to a specific market; further evaluation is necessary to determine potential value to the Company.

Equity Metals has a diverse mix of interesting assets that may be sold, dropped, or held for future value while the Company applies most of its effort and financial expenditures on expanding the attractive high-grade resource at Silver Queen.

Management and directors wish to thank shareholders for their support and confidence.

“Joseph Anthony Kizis, Jr.”

Joseph Anthony Kizis, Jr.
President & Director
December 15, 2020