

President's Letter

REPORT TO SHAREHOLDERS:

Equity conducted a significant amount of core drilling on its Flagship Silver Queen property during 2021, a precious- and base-metal property in British Columbia where the Company continues to expand high-grade mineralization along strike and at depth on several of the 20 historically known veins. The highlight of our initial drilling program in 2020 was hole SQ20-010, which intersected bonanza-grade silver on the Camp Vein, including 0.3m grading 56,291g/t AgEq within 4.5m averaging 4,718g/t AgEq (for details see NR-12-20, Oct 19, 2020). The 2019 Resource estimate does not include any mineralization from the Camp Vein area and, with the encouragement of that hole, the Camp Vein became the focus of our 2021 drilling with the goal of developing a significant addition to Silver Queen's 2019 Resource base.

We successfully added many other +1 kilo per ton silver intercepts with 2021 drill holes at the Camp Vein target. As we evaluated these intercepts, we realized that important previous assumptions of this poorly exposed vein target were incorrect. Several lines of evidence indicate that instead of one major NW-trending vein parallel to the Number 3 vein, many veins exist at the Camp Vein target, and they are oriented nearly perpendicular to the orientation previously assumed. This is important because impressive grades from historic drilling on the Camp Vein were deemed to be too erratic to be incorporated into the 2019 Resource when assumed to be a single vein set oriented NW. We now understand the veins trend NE; thus, some of the historic holes drilled barren wallrock between NE-trending veins. We tested the theory with three holes at the end of our early 2021 program and all three holes intersected +1 kilo silver values where expected based on our NE-trending vein projections, confirming the theory. In the Fall of 2021, we drilled an additional 19 holes at the Camp Vein target based on our new vein projection. As of this writing, we only have full analyses for three of the holes, and those assays confirm our projections. An independent resource estimate for the Camp Vein target is planned following receipt of assays, probably in Q2 2022.

Following a brief break at the end of drilling at the Camp Vein target, we continued drilling along the Number 5/Switchback Vein Target, which lies between the Camp Vein and Number 3 Vein targets. Visual vein intercepts look encouraging. Drilling is now on holiday break and we will return in January to drill approximately another 5,000m on the extension of the Connector Vein zone east of the Number 3 vein and possibly other targets.

Shareholders can look forward to a lot of news flow about Silver Queen over the foreseeable future with core from 26 completed holes now going to the assay lab and even more drilling planned early in 2022.

A summary of the Company's assets follows.

Silver Queen Precious- & Base-Metal property – This past-producing Au/Ag/Zn epithermal vein system already has a significant high-grade resource, primarily on the Number 3 vein. Drilling in 2011 intersected buried porphyry-style copper/molybdenum/gold mineralization in the southeast portion of the region with 20 known epithermal veins, suggesting the two types of mineralization may be genetically related, and which together constitutes a large, district-scale exploration opportunity. Several of the known veins that we have not yet drill tested have very interesting intercepts in historic holes that have not been offset, these are the “easy fruit” for discovering new deposits, particularly as we continue to unravel property-wide structural and geochemical controls on mineralization.

Silver Queen has several attractive features in addition to rich metal grades, and those features combine to make it the Company's flagship property. They include: 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, moderate topography, and location within the snow shadow of the Coastal mountains; c)

abundant mining activity occurs in the region; and d) power and water are available. A 5-year permit for drilling has been received and bonded.

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 surface plant material.

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

Fortunately, the diamond market has improved over the past year. The two largest diamond companies, DeBeers and Alrosa, each reduced their stockpiles by reportedly selling 13.5 million carats while only mining 7.2 and 7.5 carats, respectively. With several diamond mines nearing exhaustion, we consider Monument to be a valuable near-future asset.

The Company conducted a magnetics geophysical survey on a portion of the property during winter 2021, which identified additional potential drill targets.

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 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 Equity’s royalty claims. The Company is holding the royalty for potential future value to Equity.

Saskatchewan Silica Sand property – The Company holds an inexpensive 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. Recently a purified form of silica known as silicon has shown promise to significantly extend the time between charging lithium batteries. The technology has not fully overcome issues such as battery swelling due to incorporation of silicon; however, research continues by several specialized companies. A purity of ~98% is necessary for silica sand to be converted economically into silicon and for other specialized uses. The Company recently contracted an independent geologist to collect representative samples from our quarry, which are now being analyzed for silica concentration to determine if the property is a potential source of high-purity silica.

We feel that Equity has an exciting mix of assets that may be developed, sold, or simply maintained for future value while the Company continues its programs of expanding the attractive high-grade resource base at Silver Queen with a well-financed treasury. As of December 21, 2021, upon closing of the most recent financing, the Company’s treasury stands at Cd\$3,412,880.

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

“Joseph Anthony Kizis, Jr.”

Joseph Anthony Kizis, Jr.
President & Director
December 21, 2021