

President's Letter

REPORT TO SHAREHOLDERS:

Equity continued core drilling on its Flagship **Silver Queen property** during 2023 with the twin goals of extending select known mineralized veins and of identifying new mineralization that may further increase the project's precious and base-metal resource base, for which an independent 2022 resource estimate demonstrated a significant increase compared to the Company's 2019 resource. The cost to the Company was an attractive \$0.15 per ounce of additional AgEq or \$11 per ounce of additional AuEq.

Financings during 2023 included \$1,050,000 in hard dollars and \$814,205 in flow-through dollars and added to \$1,692,649 in flow-through dollars raised late in 2022. Warrants and options were exercised during the period for an additional \$1,530,000. Successful financing allowed for an aggressive drilling program at Silver Queen.

During 2023 we completed 26 core holes for a total of 9,989 metres, bringing the total to 104 holes for 35,648 metres since taking over management of the Company. We also collected 1,437 soil sediment samples during 2023 as part of our exploration program to identify new zones of mineralization for resource expansion. Importantly, we conducted initial drilling on two exciting targets that are not included in the current Silver Queen resource, George Lake and Cole Lake.

Seven core holes totaling 2,467 metres were completed on the **George Lake Target** and nine core holes totaling 2,961 metres were completed on the **Cole Lake Target**. Results from George Lake are very positive, encountering thicker zones of mineralization southeast of historic holes. Drilling at Cole Lake was only recently completed with assays from only three holes returned from the lab.

The George Lake Target was last tested in the late 1980's by previous management with drilling both from surface and from underground in the Bulkley crosscut. Drilling in 2023 from surface by Equity has confirmed the lateral projection of mineralization approximately 300 metres to the southeast of the Bulkley crosscut and to depths of up to 250 metres from surface. Mineralization remains open laterally to the southeast and to depth and will be a primary focus of resource expansion by drilling in 2024.

Also, robust gold grades in a blind vein encountered at shallow depth in 2023 drilling at George Lake represent a new and compelling target for further drill testing deeper and along strike, confirming our belief that unexposed veins beneath extensive areas of cover provide significant exploration potential added to the +20 veins historically identified on the Silver Queen property. A large porphyry copper system, the likely source of heat and metals, also remains an attractive deeper target.

We expect that shareholders can look forward to continued encouraging news flow about Silver Queen, with the next round of drilling planned to begin early in the spring of 2024. Below are summaries with updates for the Company's other assets.

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. The diamond market initially improved from Pandemic-related lows; however, market conditions soon deteriorated, and management feels the Monument and WO Diamond properties should be maintained at minimal cost for future value while focusing on the Silver Queen property.

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 did not receive proposed work programs for 2023 and has not received proposed work plans for 2024 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 100% controlled La Ronge Silica Project is an historic sand quarry located in central Saskatchewan. Preliminary studies indicate the silica deposit may be developed into a simple, low-cost mining and washing operation to produce high-purity silica (>98% SiO₂). The sand can be mined very efficiently due to its unconsolidated nature and high-purity silica can be converted into silicon, which is being tested by the electric-car industry to replace or augment carbon in battery anodes to dramatically extend the time between charging. The technology of silicon use in batteries is still in an early and uncertain stage; thus, source material for silicon is not currently in high demand. However, the holding cost of the project is minimal while we monitor technological advances. Other, possibly lower value, conventional uses also exist in the ceramics and glass industries.

On the corporate side during the year, we officially welcomed the appointment of Jay Oness as Vice President, Corporate Development, although Jay has been filling that role as a valued member of the Equity team from the beginning when we initially took over management of the Company in the fall of 2019. Jay has over 25 years of corporate communications, strategic marketing and corporate development experience and has been a director and officer of numerous publicly traded North American resource companies. Jay will be responsible for general corporate development and supporting management to evaluate and execute new investment opportunities.

Equity has an exciting mix of assets that may be developed, sold, or simply maintained for future value while the Company focuses on expanding the attractive high-grade resource base at Silver Queen. We remain committed to conducting our business in an environmentally, socially, and governmentally responsible manner, with an emphasis on safety for our projects.

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

“Joseph Anthony Kizis, Jr.”

Joseph Anthony Kizis, Jr.
President & Director
December 12, 2023

Robert Macdonald, MSc. P.Geo, is VP Exploration of Equity Metals Corporation and a Qualified Person as defined by National Instrument 43-101. He is responsible for the supervision of the exploration on the Silver Queen project and for the preparation of the technical information in this disclosure.

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