Dolly Varden Announces Strategic Investment by Eric Sprott Increasing His Holdings to 19.9%

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VANCOUVER, May 19, 2020 - Dolly Varden Silver Corp. (TSX.V: DV | U.S.: DOLLF) (the "Company" or "Dolly Varden") is pleased to announce its plans to undertake a private placement financing (the "Offering") to a single subscriber, Mr. Eric Sprott, to raise gross proceeds of up to CAD$2.3-million from the sale of up to 7 million common shares of the Company at a price of $0.33 per share that qualify as "flow-through shares", as defined under the Income Tax Act (Canada).

"With so many investment choices available, we are pleased that Eric Sprott will be taking a substantial position in Dolly Varden by increasing his strategic investment to 19.9%. This is a strong endorsement of our current high-grade silver resource and the substantial growth potential of our assets in the prolific Golden Triangle of British Columbia. With Eric's investment, we are in a very strong cash position of just under CAD$6 million that will allow the Company to continue expanding its silver mineral resource with new high-grade silver discoveries on the property," commented Shawn Khunkhun, Chief Executive Officer of Dolly Varden.

The Company has agreed to pay a finder's fee in respect of the single subscriber under the Offering. The finder will receive non flow-through common shares in the Company equal to 6 per cent of the gross proceeds received from the investor.

The issuance of the flow-through shares under the Offering and non flow-through shares as a finder's fee are subject to the approval of the TSX Venture Exchange, receipt of any other required regulatory approvals and other customary closing conditions. Closing of the Offering is anticipated to occur on or about June 5th, 2020. Securities issued under the Offering will be subject to a four-month-and-one-day statutory hold period.

The net proceeds of the Offering will be used for further exploration, drilling, and mineral resource expansion at the Dolly Varden silver property in northwestern British Columbia, Canada, as well as for working capital as permitted.

Pursuant to the Ancillary Rights Agreement (the "ARA") between Hecla Canada Ltd. and the Company, dated September 4, 2012, Hecla will be entitled to acquire non flow-through common shares of the Company at a price of $0.33 cents per share to maintain its pro rata equity interest in the Company. If Hecla exercises its pro rata rights under the ARA, any common shares issued to Hecla will be in addition to those issued as part of the Offering.

Mr. Sprott, the subscriber in the Offering, is considered a related party of the Company under Multilateral Instrument 61-101 as a result of him owning more than 10% of the currently issued and outstanding common shares of the Company. As a result, the issuance of common shares to Mr. Sprott, pursuant to the Offering, will be considered a related party transaction. The Company will be relying on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of Multilateral Instrument 61-101 on the basis that participation in the Offering by Mr. Sprott does not exceed 25% of the fair market value of the Company's market capitalization.

This release does not constitute an offer to sell or a solicitation of an offer to buy of any securities in the United States. The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States except in compliance with the registration requirements of the

U.S. Securities Act and applicable state securities laws or pursuant to available exemptions therefrom.

About Dolly Varden

Dolly Varden Silver Corp. is a mineral exploration company focused on exploration in northwestern British Columbia. Dolly Varden has two projects, the namesake Dolly Varden silver property and the nearby Big Bulk copper-gold property. The Dolly Varden property is considered to be highly prospective for hosting high-grade precious metal deposits, since it comprises the same structural and stratigraphic setting that host numerous other high-grade deposits (Eskay Creek, Brucejack). The Big Bulk property is prospective for porphyry and skarn style copper and gold mineralization similar to other such deposits in the region (Red Mountain, KSM, Red Chris).

Dolly Varden is also a member of the British Columbia Regional Mining Alliance, a cooperative effort between First Nations, Industry and the BC Provincial Government, to promote mining activities and investment in the northwestern region.

Additional information about the Company and its activities may be found on the Company's website www.dollyvardensilver.com and under the Company's profile at www.sedar.com.

FORWARD-LOOKING STATEMENTS:

This release may contain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Dolly Varden to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward looking statements or information relates to, among other things, the completion of the Offering, the receipt of TSXV and other regulatory approval with respect to the Offering, and the successful start of the 2020 exploration program, managing disruption from COVID-19 guidelines, interpretation of the nature of the mineralization at the project and that that the mineralization on the project is similar to Eskay and Brucejack, results of the mineral resource estimate on the project, the potential to grow the project, the potential to expand the mineralization, the planning for further exploration work, the ability to de-risk the potential exploration targets, and our beliefs about the unexplored portion of the property. These forward-looking statements are based on management's current expectations and beliefs but given the uncertainties, assumptions and risks, readers are cautioned not to place undue reliance on such forward-looking statements or information. The Company disclaims any obligation to update, or to publicly announce, any such statements, events or developments except as required by law.

For additional information on risks and uncertainties, see the Company's most recently filed annual management discussion & analysis ("MD&A"), which is available on SEDAR at www.sedar.com and on the Company's website at www.dollyvardensilver.com. The risk factors identified in the MD&A are not intended to represent a complete list of factors that could affect the Company.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

SOURCE Dolly Varden Silver Corp.