## Dolly Varden Announces \$7.5 Million Brokered Private Placement Financing, Led by Eric Sprott

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VANCOUVER, July 27, 2020 - <u>Dolly Varden Silver Corp.</u> ("Dolly Varden" or the "Company") (TSXV: DV) (OTC:DOLLF) to announce that it has entered into an agreement with Mackie Research Capital Corporation, as co-lead agent and so bookrunner, along with Eventus Capital Corp. as co-lead agent (together, the "Agents") in connection with a best efforts private placement of units of the Company (the "Units") at a price of \$0.71 per Unit (the "Offering Price") for gross proce \$7,500,000 (the "Offering"). Continuing with his support of Dolly Varden, Mr. Eric Sprott is expected to subscribe into the tomaintain his 19.9% interest.

Each Unit will be comprised of one common share of the Company (a "Common Share") and one-half of one Common purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one Common Share Share") at a price of \$1.10 per Warrant Share for a period of 24 months from the closing of the Offering. Provided that i time prior to the expiry date of the Warrants, the closing price of the Common Shares on the TSX Venture Exchange (the "Exchange"), or other principal exchange on which the Common Shares are listed, is greater than \$1.75 for 10 consecutables, the Company may, at the Company's discretion, and at any time going forward, within 15 days of the occurrence event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days the date of such notice (the "Accelerated Exercise Period"). Any unexercised Warrants shall automatically expire at the Accelerated Exercise Period.

"Dolly Varden's new geological team has uncovered a significant number of high-grade silver targets that warrants an a drill program. There is some real excitement for us to commence drilling to expand the Torbrit silver resource as well as exploration along the Torbrit horizon. These funds give Dolly Varden the opportunity to uncover and refine the potential 2020 drilling season. I would like to thank Mr. Sprott and the other key new institutional investors to allow us to unlock variable shareholders," remarked Shawn Khunkhun, Dolly Varden's Chief Executive Officer.

The Agents will have an option (the "Agent's Option") to offer for sale up to an additional 15% of the number of Units so Offering at the Offering Price, which Agent's Option is exercisable, in whole or in part, at any time up to 48 hours prior to the Offering.

The Company intends to use the net proceeds from the Offering for further exploration, mineral resource expansion and the Dolly Varden silver property in northwestern British Columbia, Canada, working capital and general corporate purposes.

The securities to be issued under the Offering will be offered by way of private placement in each of the provinces of Chan Quebec, and such other jurisdictions as may be determined by the Company, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws.

The Offering is scheduled to close on or about the week of August 17, 2020, or such date as agreed upon between the and the Agents (the "Closing") and is subject to certain conditions including, but not limited to, the receipt of all necessal approvals including the approval of the Exchange. The Units to be issued under the Offering will have a hold period of f and one day from Closing.

Pursuant to the ancillary rights agreement between Hecla Canada Ltd. ("Hecla") and the Company dated September 4 Hecla will be entitled to acquire Common Shares at a price of \$0.71 per share to maintain its pro rata equity interest in Company. If Hecla exercises its pro rata rights under the ancillary rights agreement, any Common Shares issued to He addition to those issued as part of the Offering.

In connection with the Offering, the Agents will receive an aggregate cash fee equal to 6.0% of the gross proceeds from

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Offering, including in respect of any exercise of the Agent's Option. In addition, the Company will grant the Agents, on of Closing, non-transferable compensation warrants (the "Compensation Warrants") equal to 6.0% of the total number of under the Offering (including in respect of any exercise of the Agent's Option). Each Compensation Warrant will entitle thereof to purchase one Common Share at an exercise price equal to the Offering Price for a period of 24 months follow Closing.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 193 amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold within the States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitatic any securities in any jurisdiction.

About Dolly Varden Silver Corporation

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

## Forward Looking Statements

This release may contain forward-looking statements or forward-looking information under applicable Canadian securiti legislation that may not be based on historical fact, including, without limitation, statements containing the words "believ "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "potential" and similar expressions. Forward-looking 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 expression implied by the forward-looking statements. Forward looking statements or information relates to, among other things, or the Offering, Exchange approval of the Offering, the use of proceeds with respect to the Offerings, the results of previous and programs and the continued operations of the current exploration program, interpretation of the nature of the miner the project and that that the mineralization on the project is similar to Eskay and Brucejack, results of the mineral resou on the project, the potential to grow the project, the potential to expand the mineralization, the planning for further exploration 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, a and risks, readers are cautioned not to place undue reliance on such forward-looking statements or information. The Codisclaims any obligation to update, or to publicly announce, any such statements, events or developments except as relaw

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

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

SOURCE Dolly Varden Silver Corp.

Contact

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