

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

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VANCOUVER, July 27, 2020 - [Dolly Varden Silver Corp.](#) ("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 sole 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 proceeds of \$7,500,000 (the "Offering"). Continuing with his support of Dolly Varden, Mr. Eric Sprott is expected to subscribe into the Offering to maintain 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 Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one Common Share ("Warrant Share") at a price of \$1.10 per Warrant Share for a period of 24 months from the closing of the Offering. Provided that at any 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 consecutive days, the Company may, at the Company's discretion, and at any time going forward, within 15 days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days from the date of such notice (the "Accelerated Exercise Period"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

"Dolly Varden's new geological team has uncovered a significant number of high-grade silver targets that warrants an additional drill program. There is some real excitement for us to commence drilling to expand the Torbrit silver resource as well as to continue exploration along the Torbrit horizon. These funds give Dolly Varden the opportunity to uncover and refine the potential of the Torbrit resource during the 2020 drilling season. I would like to thank Mr. Sprott and the other key new institutional investors to allow us to unlock value for our 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 sold in the 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 closing of the Offering.

The Company intends to use the net proceeds from the Offering for further exploration, mineral resource expansion and development of 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 Canada other than Quebec, and such other jurisdictions as may be determined by the Company, in each case, pursuant to applicable securities laws and 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 Company and the Agents (the "Closing") and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals including the approval of the Exchange. The Units to be issued under the Offering will have a hold period of five business days and one day from Closing.

Pursuant to the ancillary rights agreement between Hecla Canada Ltd. ("Hecla") and the Company dated September 4, 2019, Hecla will be entitled to acquire Common Shares at a price of \$0.71 per share to maintain its pro rata equity interest in the Company. If Hecla exercises its pro rata rights under the ancillary rights agreement, any Common Shares issued to Hecla will be in 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 the Offering.

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

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 accordingly, 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 requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy 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. Dolly Varden has two projects, the namesake Dolly Varden silver property and the nearby Big Bulk copper-gold property. The Dolly Varden silver 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 (Lionel Mountain, KSM, Red Chris).

Forward Looking Statements

This release may contain forward-looking statements or forward-looking information under applicable Canadian securities legislation that may not be based on historical fact, including, without limitation, statements containing the words "believe", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "potential" and similar expressions. Forward-looking information involves 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, completion of the Offering, Exchange approval of the Offering, the use of proceeds with respect to the Offerings, the results of previous exploration and programs and the continued operations of the current exploration program, interpretation of the nature of the mineralization on the project and that the mineralization on the project is similar to Eskay and Brucejack, results of the mineral resource estimates on the project, the potential to grow the project, the potential to expand the mineralization, the planning for further exploration, 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 and analysis ("MD&A"), which is available on SEDAR at www.sedar.com. The risk factors identified in the MD&A are not intended to 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 TSX) accepts responsibility for the adequacy or accuracy of this news release.

SOURCE [Dolly Varden Silver Corp.](#)

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