

Dolly Varden Announces Closing of \$10 Million Private Placement

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VANCOUVER, Aug. 21, 2020 - [Dolly Varden Silver Corp.](#) ("Dolly Varden" or the "Company") (TSXV: DV) (OTC: DOLLF), is pleased to announce that it has closed its previously announced private placement of units of the Company (the "Units") pursuant to which the Company issued 14,084,500 Units at a price of \$0.71 per Unit (the "Offering Price") for aggregate gross proceeds of approximately \$10,000,000 (the "Offering"). The Offering was led by Mackie Research Capital Corporation, as sole bookrunner, and Eventus Capital Corp. as co-lead agents (together, the "Agents").

Each Unit is 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 is exercisable to acquire one Common Share (a "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 if, 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 trading 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 following the date of such notice (the "Accelerated Exercise Period"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

Pursuant to the ancillary rights agreement between Hecla Canada Ltd. ("Hecla") and the Company, dated September 4, 2012, Hecla exercised its anti-dilution right in respect of the Offering and acquired 1,881,896 Units at the Offering Price for proceeds of approximately \$1.3 million to maintain its pro-rata equity interest in the Company. The Units issued to Hecla were in addition to those issued as part of the Offering.

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

Eric Sprott, through 2176423 Ontario Ltd., a corporation which is beneficially owned by him, acquired 2,500,000 Units pursuant to the Offering. After closing of the Offering, Mr. Sprott now beneficially owns or controls 22,183,982 Common Shares and 1,250,000 Common Share purchase warrants representing approximately 18.3% of the issued and outstanding Common Shares on a non-diluted basis and 19.1% on a partially diluted basis assuming exercise of all warrants held by 2176423 Ontario Ltd.

In connection with the Offering, the Agents received an aggregate cash fee equal to 6.0% of the gross proceeds from the Offering. In addition, the Company issued to the Agents 845,070 non-transferable compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitles 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 of the Offering.

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 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 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).

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", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "potential" and similar expressions. 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, final TSX Venture Exchange approval of the Offering, the use of proceeds with respect to the Offering, the results of previous field work and programs and the continued operations of the current exploration program, 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. 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 V) accepts responsibility for the adequacy or accuracy of this news release.

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