

Dolly Varden Silver Announces Closing of \$22.6 Million Private Placement with Participation by Hecla Mining

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Vancouver, December 22, 2022 - [Dolly Varden Silver Corp.](#) (TSXV: DV) (OTCQX: DOLLF) (the "Company" or "Dolly Varden") is pleased to announce that it has closed its previously announced brokered private placement offering (the "Offering") for gross proceeds of approximately \$20.7 million, including the full exercise of the agents' option, and also received \$1.9 million from Hecla Canada Ltd.'s pro-rata participation to maintain its 10.21% ownership on a fully diluted basis, for aggregate gross proceeds of \$22.6 million to the Company. The Company issued: (i) 5,634,516 common shares of the Company that qualify as "flow-through shares" as defined under the Income Tax Act (Canada) (the "FT Offered Shares") at a price of \$0.90 per FT Offered Share; (ii) 14,884,700 common shares of the Company that qualify as "flow-through shares" as defined under the Income Tax Act (Canada) that will be issued as part of a charity arrangement (the "Charity Offered Shares" and together with the FT Offered Shares, the "Offered Shares") at a price of \$1.05 per Charity Offered Share; and (iii) 2,334,114 non flow-through common shares to Hecla Canada Ltd.

The Offering was led by Research Capital Corporation and Eventus Capital Corp., as co-lead agents and joint bookrunners, on behalf of a syndicate of agents, including Haywood Securities Inc. (collectively, the "Agents").

"2022 has been the most successful year to date in the history of Dolly Varden Silver. By consolidating seven high-grade silver and gold deposits and historic mines with potential development synergies as well as exploration upside, we have created a preeminent silver gold company within an accessible and stable region of BC's prolific Golden Triangle. Drill results received and released to date have exceeded expectations and we eagerly await the remaining 50 drill holes from our 2022 exploration season. We are grateful to existing and new shareholders who have provided us with the capital to continue to unlock the potential of the Kitsault Valley," commented Shawn Khunkhun, Chief Executive Officer of the Company.

The gross proceeds of the Offering will be used for further exploration, mineral resource expansion and drilling in Kitsault Valley located in northwestern British Columbia, Canada, as well as for working capital as permitted, as Canadian Exploration Expenses as defined in paragraph (f) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Income Tax Act (Canada) and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act (Canada) that will qualify as "flow-through mining expenditures," which will be incurred on or before December 31, 2023 and renounced with an effective date no later than December 31, 2022 to the initial purchasers of FT Offered Shares and Charity Offered Shares.

The Offered Shares were issued under the Offering by way of applicable prospectus exemptions in accordance with NI 45-106 to "accredited investors" only.

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 to acquire 2,334,114 common shares of the Company ("Common Shares") at a price per Common Share of \$0.83 for gross proceeds of \$1.9 million. The Common Shares issued to Hecla are in addition to those issued as part of the Offering.

The Offered Shares and Common Shares issued to Hecla are subject to a hold period in Canada expiring on April 23, 2022.

In connection with the Offering, the Agents received an aggregate cash fee equal to \$1,191,600 and REDPLUG Inc. received a cash finder's fee equal to \$50,400.

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 Silver Corporation

[Dolly Varden Silver Corp.](#) is a mineral exploration company focused on advancing its 100% held Kitsault Valley Projects (which include the Dolly Varden Project and the Homestake Ridge Project) located in the Golden Triangle of British Columbia, Canada, 25kms by road to tide water. The 163 sq. km. projects host the high-grade silver and gold resources of Dolly Varden and Homestake Ridge along with the past producing Dolly Varden and Torbrit silver mines. They are considered to be prospective for hosting further precious metal deposits, being on the same structural and stratigraphic belts that host numerous other, on-trend, high-grade deposits, such as Eskay Creek and Brucejack. The Kitsault Valley Projects also contain the Big Bulk property which 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 in this release relates to, among other things, 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 projects, the potential to expand the mineralization and our beliefs about the unexplored portion of the properties.

These forward-looking statements are based on management's current expectations and beliefs and assume, among other things, the ability of the Company to successfully pursue its current development plans, that future sources of funding will be available to the company, that relevant commodity prices will remain at levels that are economically viable for the Company and that the Company will receive relevant permits in a timely manner in order to enable its operations, 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 Information Form ("AIF") dated September 23, 2022, which is available on SEDAR at www.sedar.com. The risk factors identified in the AIF 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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