

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019
Management's Discussion and Analysis

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed interim financial statements of Dolly Varden Silver Corporation (the “Company”) for the nine month period ended September 30, 2019 and 2018. This MD&A contains forward-looking information and statements, which are based on the conclusions of management. The forward-looking information and statements are only made as of November 21, 2019, the effective date of this MD&A.

All financial information is presented in Canadian dollars unless otherwise stated. The Company is a reporting issuer in British Columbia. The Company’s common shares trade on the TSX Venture Exchange under the symbol “DV”. Financial results are reported in accordance with International Financial Reporting Standards (“IFRS”).

Additional information related to the Company is available on SEDAR at www.sedar.com.

Overview

The Company is a Canadian based mineral exploration company focused on the exploration of the Dolly Varden Silver Property located in northwestern British Columbia, Canada. The Company owns 100% interest in the Dolly Varden Silver Property, subject to 2% net smelter return (“NSR”) and has acquired 100% interest in the Musketeer property, which is an internal claim group to the Dolly Varden Project. During the year ended December 31, 2018 the Company completed their final option payment on the Musketeer Property. The company also owns 100% interest in the neighbouring Big Bulk porphyry copper-gold project.

The Company currently has no producing properties and consequently no operating income. The recovery of the amounts comprising exploration and evaluation assets are dependent upon (1) the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves, (2) the confirmation of economically recoverable reserves, (3) upon future profitable production or on selling the property. It is the intention of the Company to obtain financing through access to public equity markets, debt, and partnerships or joint ventures as sources of funding for its exploration expenditures and to meet ongoing working capital requirements.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Highlights and Significant Events

- On January 7, 2019 the Company announced the fifth batch of 13 drill holes from the 2018 program in the Dolly Varden project, including 75.45 metres grading 439 g/t silver-equivalent. (1)
- On January 14, 2019 the Company announced a “Summary of Field Activities” for the Dolly Varden project’s 2018 season.
- On May 8, 2019 the Company announced an “Updated Mineral Resource Estimate” for the Dolly Varden Property conducted by APEX Geoscience Ltd. as well as preliminary metallurgy silver recovery from bottle roll leach testing conducted by Blue Coast Research Limited.
- On June 20, 2019 the Company announced results of preliminary metallurgical testing for the Dolly Varden Property, including recoveries of 88% Ag, 78% Pb and 70% Zn from the Torbrit deposit.
- On July 23, 2019 the Company announced the first batch of four drill holes from the 2019 exploration program, including 24.9 metres grading 385 g/t silver.
- On August 7, 2019 the Company announced the second batch of five drill holes from the 2019 exploration program, including 15.2 metres grading 488 g/t silver.
- On November 18, 2019 the Company announced the final batch of recognisance drilling for 2019, which identified five new silver target areas including the Chance, Silver Horde, Mackay, Beginner’s Luck, and Kitsol.

(1) Silver-Equivalent Ag-Eq = Ag + (Pb%*22.046*Pb price*31.103/Ag price) + (Zn%*22.046*Zn price*31.103/Ag price). Metal prices used for this formula: Ag = \$US 16.25/oz, Pb = \$US 1.00/lb, Zn = \$US 1.25/lb. In 2018, the metal prices were revised to Ag = \$US 16.00/oz, Pb = \$US 1.08/lb and Zn = \$US 1.25/lb. In 2019, the metal prices were revised to Ag = \$US 15.00/oz, Pb = \$US 0.87/lb and Zn = \$US 1.08/lb

Mineral Properties

Dolly Varden Project (“DV Project”)

The DV Project contains the core of the historic silver-rich Dolly Varden Mining Camp north of Alice Arm, within the regionally important and prolific Stewart Complex in northwestern British Columbia. The DV Project comprises an area of 8,800 hectares and includes a 100% interest in the Dolly Varden, Big Bulk Musketeer property. During the three month period ended March 31, 2018, the Company completed their final option payment on the Musketeer Property.

Mineral Properties (cont'd)

Dolly Varden Silver Properties

The DV Project encompasses several historic underground workings, including the Dolly Varden, North Star, Torbrit, and Wolf Mines, as well as several other showings and many mineralized prospects. The silver-rich deposits found on the DV Project are hosted in Jurassic-age volcanic and sedimentary rocks (Iskut River Formation) of the Hazelton Group. They display textural and mineralogical similarity to mineralization found in the region in subaqueous, gold-silver-rich, hot spring-type volcanogenic massive sulfide (VMS), and epithermal style deposits, such as the Eskay Creek and Brucejack deposits, respectively. The nearby Big Bulk claims host porphyry copper-gold style mineralization.

Since acquiring the DV Project in 2011, field work was dedicated to confirming and expanding the known mineralization near the historic deposits: Wolf, Dolly Varden, Torbrit, and North Star. The Company's work consisted of surface and underground mapping, underground rehabilitation, detailed sampling, data compilation from reliable historic records, and over 17,000 meters of core drilling. This data was used to complete a mineral resource estimate as outlined below.

The Company's 2014 and 2015 exploration programs conducted work on regional targets of the DV Project. The programs applied known mineralization signatures from the historic deposits northward on the DV Project toward more regional targets, where the Company's mapping and sampling shows continuation of favorable lithologies and prospective structural features coincident with geochemical anomalies, intense alteration and historic showings and workings. These exploration programs were comprised of continued surface work throughout the property, but extending outwards, particularly to the northeastern portions of the property, additional drilling in the resource areas and exploration drilling in favourable target areas.

The Company's 2016 exploration program focused on mapping and drilling the Ace-Galena and the Torbrit areas on the DV Project. Mapping and sampling of surface alteration occurrences and anomalies provided data for further prioritization and de-risking of exploratory targets. A total of 2,312 metres of drilling was completed in 2016; 746 meters in and around the Torbrit Deposit, 1,359 metres on the Ace-Galena Trend and 207m on the Chance Trend. Drilling at the Torbrit Deposit focused on completing recommendations for infill drilling made in the 2015 mineral resource estimate. The drilling on the Ace-Galena trend extended the known mineralized horizons an additional 300 meters northward along strike.

Musketeer Property

In 2013, the Company entered into an option agreement with Musketeer Developments Ltd. and certain other parties to obtain a 100% interest in the Musketeer Property by making option payments totalling \$1,050,000 due on various defined dates, subject to a 2% NSR. A payment was made in February 2016 of \$91,000, and a payment was made in February 2017 of \$102,334. The final payment was made in February 2018 of \$100,000. These claims are internal contiguous claims within the DV Project area. This agreement marks the Company's full consolidation of all of the major developed silver prospects and past producing mines in the Upper Kitsault Valley. Limited historical work has been completed on the Musketeer property, with additional areas of interest including surface prospects at Kitsol, South Musketeer, and North Musketeer. Two diamond drill holes tested the North Musketeer showing during the 2014 program.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

2017 Exploration Program

On February 16, 2017, the Company announced approval for a \$3.5 million exploration program on Dolly Varden, including approximately 5,000 metres of diamond drilling, geological mapping and geophysical sampling. An airborne ZTEM geophysical survey was also conducted over the Big Bulk Property.

Community relations activities have commenced, with the first formal meeting on May 1, 2017 with Nisga'a Lisims Government representatives.

The field activities commenced with the first equipment barge from Prince Rupert to Alice Arm set for May 24, 2017. Diamond drilling commenced on June 7, 2017.

By the end of July, the drilling program was on budget and ahead of schedule, thus additional metres were achieved. As of July 31, 2017, the total meterage was 6,774.5m. A decision was made to recommend to the Board of Directors that the drilling program be expanded for an additional \$3 million.

The 2017 diamond drilling program exceeded expectations. In total, 45 drill holes were completed for a total of 15,728.50 metres. As well as validation and expansion drilling in the Torbrit Deposit and Dolly Varden Deposit areas, four new zones were discovered, including Torbrit-North, Torbrit-East, Moose-Lamb and Beginners-Luck. All of these zones merit additional testing.

Highlights by target areas of the 2017 drilling program include:

- Dolly Varden Deposit- 9.60 metres (8.90m true thickness) grading Ag 878.7 g/t, Pb 0.42% and Zn 1.19% in DV17-048.
- Torbrit Deposit - 12.55 metres (9.89m true thickness) grading Ag 514.3 g/t, Pb 0.09% and Zn 0.04% in DV 17-040.
- Torbrit-North -10.69 metres (10.05m true thickness) grading Ag 852.2 g/t, Pb 1.46% and Zn 0.30% in DV 17-078.
- Torbrit-East - 5.00 metres (3.83m true thickness) grading Ag 481.9 g/t, Pb 0.21% and Zn 0.12% in DV 17-078.
- Moose-Lamb - 11.00 metres (7.07m true thickness) grading Ag 394.2 g/t, Pb 2.27% and Zn 0.46% in DV 17-063.

2018 Exploration Program

The 2018 field exploration program commenced on May 16, 2018, with the arrival of the equipment and fuel barge at the Alice Arm base camp. The proposed helicopter supported drill program was to consist of two diamond drill rigs for 20,000 to 25,000 metres in 70 to 90 holes. The general concept of the drilling program was to expand on the mineralization discovered in 2017 in and around the Torbrit area and infill gaps in the Mineral Resource model. One of the two drills was also to be used for a period of time to complete property scale exploration testing in areas of alteration defined from previous years of work. Mapping and sampling continued in the Western area of the property and around the Torbrit area. Alice Arm field camp re-opened in mid May, and the first drilling rig commenced operation in the first week of June. The second drilling rig commenced operation on June 16, 2018. Drilling ended on October 5, 2018 and the camp was demobilized on October 22, 2018.

The 2018 drilling program consisted of 84 diamond drill holes for 29,108 metres.

Highlights of the 2018 drilling program include:

- Dolly Varden Deposit Model – An increased understanding of the geometry of the north-dipping zones within the Dolly Varden Deposit area has led to a reinterpretation of the geological model. Base metal content increases with depth.
- Dolly Varden Deposit – Base metal rich zone of 7.85 metres (6.01 metres true thickness) grading Ag 71.2 g/t, Pb 5.34% and Zn 3.62% in hole DV18-142.
- Torbrit Deposit Model – The integration of new zones into the Torbrit Deposit Model include Torbrit North, Torbrit East, Bonus, Moose-Lamb, and Kitsol zones.
- Kitsol Zone – 22.15 metres (21.81 metres true thickness) grading Ag 332.8 g/t, Pb 0.45% and Zn 0.74% in hole DV18-135.
- Kitsol Zone - 31.00 metres (30.38 metres true thickness) grading Ag 302.2 g/t, Pb 0.26% and Zn 0.41% in hole DV18-131.
- Torbrit Zone – Delineation drilling – 75.45 metres (65.34 metres true thickness) grading Ag 418.9 g/t, Pb 0.28% and Zn 0.14% in hole DV18-163.
- Moose-Lamb Zone – 29.15 metres (22.33 metres true thickness) grading Ag 226.0 g/t, Pb 0.09% and Zn 0.13% in hole DV18-109.
- Torbrit East Zone – 8.00 metres (7.52 metres true thickness) grading Ag 585.2 g/t, Pb 0.49% and Zn 0.11% in hole DV18-105.
- Bonus Zone – 4.65 metres (2.33 metres true thickness) grading Ag 347 g/t, Pb 0.16% and Zn 0.16% in hole DV18-083.
- Torbrit North Zone – 8.32 metres (8.07 metres true thickness) grading Ag 248.4 g/t, Pb 0.15% and Zn 0.10% in hole DV180-086.

2019 Exploration Program

The planning stages for the 2019 field exploration program began, with the Board approving a 10,000 to 15,000 metres of diamond drilling in 30 to 45 holes and an expanded geological mapping program. Metallurgical testing (budgeted in 2018) began in early 2019 and consists of both closed-circuit cyanide leach testing and sulphide flotation testing on composite core samples from the Dolly Varden Deposit and Torbrit Deposit. Historical results exist for the North Star Deposit, as well as 1950s production records for the Torbrit Mine for comparison. This metallurgical work is being conducted by Blue Coast Research Limited.

Updated Mineral Resource Estimate

An updated National Instrument 43-101 “Standards of Disclosure for Mineral Projects” (“NI 43-101”) compliant mineral resource estimate was released on May 8th, 2019. The updated mineral resource estimate was completed by Steven Nicholls, MAIG, and Andrew J. Turner, P.Geo. of APEX Geosciences Ltd., independent geological consultants and Qualified Persons (as defined in NI 43-101) and covered the four known deposits on the Dolly Varden project.

The Indicated Resource Estimate for the Torbrit, Dolly Varden, Wolf, and North Star deposits totals 3.417 million tonnes at an average grade of 300 grams of silver per tonne (“g/t Ag”). The Inferred Resource Estimate totals an additional 1.285 million tonnes at an average grade of 277 g/t Ag. The resource hosts contained silver ounces for the indicated resource estimate of 32.931 million ounces Ag and inferred resource estimate of 11.447 million ounces Ag. Please refer to the Company’s continuous disclosure documents available on SEDAR for more detailed technical information regarding the mineral resource estimate, which is subject to the qualification statements and notes set forth in the final report posted on www.sedar.com.

Preliminary Metallurgical Testing

Results of the first phase of the preliminary metallurgical testing were released by the Company on May 8th, 2019. A silver recovery of 86.9% was obtained from the Torbrit Deposit and a silver recovery of 85.6% was obtained from the Dolly Varden Deposit, both based on the kinematics curves from bottle roll cyanide leach tests over a period of 96 hours. The tests were performed on drill core composite samples from the Torbrit Deposit with a head grade of 290 g/t Ag, and the Dolly Varden Deposit with a head grade 372 g/t Ag. Metallurgical testing was conducted in the laboratories of Blue Coast Research Ltd., in Parksville, British Columbia, Canada.

Results of the second phase of the preliminary metallurgical testing were released by the Company on June 20, 2019. Results from flotation metallurgical test work on separate concentrates for Ag-Pb and Zn yielded recoveries of 88% silver, 78% lead and 70% zinc from the Torbrit deposit. For more details concerning the metallurgical testwork, please refer to the Company’s disclosure documents.

Diamond Drilling Program

The 2019 exploration program commenced in May and the diamond drilling phase commenced on June 16, 2019. The plan was for a 10,000 to 15,000 metres program divided approximately 80% for new exploration drilling and 20% for resource areas delineation/validation/expansion.

The 2019 drilling program consisted of 44 drill holes for 11,863 metres. Since the start of the 2017 exploration season, the Company has drilled 174 holes for a total of 56,700 metres.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

2019 Exploration Program (con't)

Highlights of the 2019 drilling program to date include:

- Chance Target Area – 24.9 metres grading 385 g/t Ag, including 4.7 metres grading 1,607 g/t Ag in hole DV19-165.
- Chance Target Area – 15.2 metres grading 488 g/t Ag, including 5.6 metres grading 1,044 g/t Ag in hole DV19-173.

Qualified Person

The Dolly Varden Property exploration program is directed by Ben Whiting, P.Geo., Vice President, Exploration, who is a “qualified person” as defined by National Instrument 43-101 and who also prepared and approved the scientific and technical information contained in this MD&A.

Results of Operations

For the three months ended September 30, 2019

The total loss for the three months ended September 30, 2019 was \$3,092,702 as compared to \$4,644,218 in the prior period.

Exploration and evaluation expenditures for the three months ended September 30, 2019 were \$3,071,145 (2018 - \$4,835,293). Exploration and evaluation expenditures were lower for the three months ended September 30, 2019, due to a decreased exploration budget for the 2019 program compared to the 2018 program.

Total general and administration expenses for the current period amounted to \$260,799 (2018 - \$219,591).

Consulting fees of \$17,001 (2018 - \$17,001) were comparable to the prior period. Directors' fees were higher at \$36,041 (2018 - \$11,450). Directors' fees consist of cash payments of \$19,875 and the increase in fair value of remaining Deferred Share Units (“DSU”) of \$16,166. Prior period cash payments to directors were comparable to the current period and offset by the fair value fluctuations of the outstanding DSUs. Management fees were comparable to the prior period at \$70,596 (2018 - \$70,947). Expenditures for marketing and communications of \$60,568 (2018 - \$31,227) were higher due increased marketing efforts by the Company. Office and administration costs were higher at \$45,227 (2018 - \$35,319), due to timing of when office and administration expense were incurred. Professional fees were comparable at \$11,487 (2018 - \$12,255). Rent and maintenance fees were comparable at \$15,000 (2018 - \$17,661). Transfer agent and filing fees were lower this period compared to the prior period and were \$2,234 (2018 - \$10,506). Travel and accommodation were lower in the current period at \$2,645 (2018 - \$13,225).

During the three month period ended September 30, 2019, the Company recognized a recovery on the flow-through share premium of \$222,581 (2018 - \$388,748). The recovery on flow-through share premium is correlated with qualifying flow through expenditures incurred in the period and the original flow-through share premium recorded.

Interest income was lower in the current period at \$16,661 (2018 - \$21,918), due to the Company maintaining a lower average cash balance over the three months ended September 30, 2019 versus the three month period ended September 30, 2018.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

For the nine months ended September 30, 2019

The total loss for the nine month period ended September 30, 2019 was \$4,942,786 as compared to \$7,489,523 for the nine months ended September 30, 2018.

Exploration and evaluation expenditures of \$4,574,390 (2018 - \$6,609,135) decreased due to a decreased exploration budget for the 2019 program compared to the 2018 program.

Total general and administration expenses for the current period amounted to \$794,540 (2018 - \$1,463,469). General and administration expenses excluding share-based compensation for the current period were \$702,710 and for the prior comparative period were \$695,469.

Consulting fees were comparable at \$51,003 (2018 - \$51,003). Directors' fees were higher at \$56,012 (2018 - \$30,513), directors' fees consist of cash payments and fair value changes in DSU's, the increase in directors' fees was due to a fair value increase in the DSU's, while cash payments were comparable. Management fees were comparable to the prior period at \$212,642 (2018 - \$227,894). Expenditures for marketing and communications of \$137,709 (2018 - \$110,037) were comparable to the prior period. Office and administration costs of \$129,602 (2018 - \$120,654) were comparable to the prior period. Professional fees were comparable at \$42,493 (2018 - \$48,630). Rent and maintenance fees were comparable at \$45,000 (2018 - \$47,647). Share-based compensation decreased to \$91,830 (2018 - \$768,000). Current year share-based compensation was due to the Company repricing 3,250,000 options to \$0.40, prior period share-based compensation was due to the vesting of options granted to directors, management and consultants in the period. Transfer agent and filing fees were lower at \$15,647 (2018 - \$29,872). Travel and accommodation were lower at \$12,602 in the current period (2018 - \$29,219).

The Company recognized a recovery on the flow-through share premium of \$397,766 (2018 - \$535,165). The recovery on flow-through share premium is correlated with qualifying flow through expenditures incurred in the period and the original flow-through share premium recorded.

Interest income was lower than the comparative period at \$31,627 (2018 - \$53,210) due to the Company maintaining a lower average cash balance over the nine months ended September 30, 2019 versus the nine month period ended September 30, 2018. The Company recorded Part XII.6 tax of \$3,249 (2018 - \$5,294). Part XII.6 tax is interest payable to the Canada Revenue Agency on the Company's flow-through expenditures renounced under the look-back rule in 2017 and unspent in 2018.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Summary of Quarterly Results

The following table summarizes selected quarterly financial information derived from the Company's financial statements for each of the eight most recently completed fiscal quarters:

	September 30, 2019 \$	June 30, 2019 \$	March 31, 2019 \$	December 31, 2018 \$
Total assets	8,749,442	8,556,741	6,414,438	6,867,294
Exploration and evaluation assets	3,726,426	3,726,426	3,726,426	3,726,426
Equipment	90,846	95,863	100,881	105,898
Working capital	4,203,058	3,754,161	2,236,301	2,635,333
Shareholders' equity	8,111,330	7,667,450	6,154,608	6,558,657
Interest income	16,661	4,990	9,976	15,488
Total loss and comprehensive loss	(3,092,702)	(1,446,035)	(404,049)	(892,025)
Basic loss per share	(0.04)	(0.03)	(0.01)	(0.02)
Fully diluted loss per share	(0.04)	(0.03)	(0.01)	(0.02)

	September 30, 2018 \$	June 30, 2018 \$	March 31, 2018 \$	December 31, 2017 \$
Total assets	8,869,967	8,741,840	9,755,714	9,793,152
Exploration and evaluation assets	3,726,426	3,726,426	3,726,426	3,626,426
Equipment	112,449	92,129	57,134	59,692
Working capital	3,848,884	3,964,905	5,597,966	5,656,288
Shareholders' equity	7,428,672	7,792,136	9,255,288	9,204,665
Interest income	21,918	20,426	10,867	10,484
Total loss and comprehensive loss	(4,644,218)	(1,694,152)	(1,151,153)	(846,723)
Basic loss per share	(0.09)	(0.04)	(0.03)	(0.02)
Fully diluted loss per share	(0.09)	(0.04)	(0.03)	(0.02)

The Company had a loss of \$3,092,702 for the three months ended September 30, 2019 versus a loss of \$1,446,035 for the three months ended June 30, 2019. The most significant variance in expenses during the three months ended September 30, 2019 and the three months ended June 30, 2019 was the Company's incurred exploration expenditures of \$3,071,145 versus \$1,278,246, comparatively, due to timing of when exploration expenditures were incurred during the exploration season.

The Company had a loss of \$1,446,035 for the three months ended June 30, 2019 versus a loss of \$404,049 for the three months ended March 31, 2019. The most significant variance in expenses during the three months ended June 30, 2019 and the three months ended March 31, 2019 was the Company's incurred exploration expenditures of \$1,278,246 versus \$224,999, comparatively, due to timing of when exploration expenditures were incurred during the exploration season.

The Company had a loss of \$404,049 for the three months ended March 31, 2019 versus a loss of \$892,025 for the three months ended December 31, 2018. The most significant variance in expenses during the three months ended March 31, 2019 and the three months ended December 31, 2018 was the Company's incurred exploration expenditures of \$224,999 versus \$1,000,779, comparatively, due to timing of when exploration expenditures were incurred during the exploration season.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Summary of Quarterly Results (cont'd)

The Company had a loss of \$892,025 for the three months ended December 31, 2018 versus a loss of \$4,644,218 for the three months ended September 30, 2018. The most significant variance in expenses during the three months ended December 31, 2018 and the three months ended September 30, 2018 was the Company's incurred exploration expenditures of \$1,000,779 versus \$4,835,293, comparatively, due to an expanded exploration budget.

The Company had a loss of \$4,644,218 for the three months ended September 30, 2018 versus a loss of \$1,694,152 for the three months ended June 30, 2018. The most significant variance in expenses during the three months ended September 30, 2018 and the three months ended June 30, 2018 was the Company's incurred exploration expenditures of \$4,835,293 versus \$1,658,932, comparatively, due to an expanded exploration budget.

The Company had a loss of \$1,694,152 for the three months ended June 30, 2018 versus a loss of \$1,151,153 for the three months ended March 31, 2018. The most significant variance in expenses during the three months ended June 30, 2018 and the three months ended March 31, 2018 was the Company's incurred exploration expenditures of \$1,658,932 versus \$114,910, comparatively. The Company's 2018 exploration program began on in early June 2018 therefore reflecting increased exploration expenditures in the second quarter of 2018 versus the first quarter of 2018.

Significant variances in expenses in the first quarter of 2018 compared to the fourth quarter of 2017 were share-based compensation expense and exploration and evaluation expenditures. In the first quarter of 2018 the Company was preparing for their 2018 exploration program which is set to start in early June 2018, therefore exploration expenditures were lower in the current quarter at \$114,910 compared to \$542,738 in the fourth quarter of 2017. The Company granted options in the first quarter of 2018 which resulted in share-based compensation expense of \$768,000 compared to \$8,396 in the fourth quarter of 2017.

The 2017 exploration program started earlier in 2017 compared to the prior year. The 2017 exploration program began in the second quarter and was closed early in the fourth quarter. There was therefore a spike in expenditures while the exploration program was ongoing mainly in the second and third quarters of 2017, which contributed to the total loss and comprehensive loss. Exploration and evaluation expenditures for the three months ended in the first quarter of 2017 was \$101,456, the second was \$754,877, the third was \$3,565,492, and the fourth was \$542,738. The Company also recognized a recovery on flow-through premium in 2017 of \$613,743, recorded mainly in the three months ended September 30, 2017 of \$454,999. As this recovery is tied to when flow-through eligible expenditures are spent, the majority of the recovery coincided with when the majority of exploration expenditures were incurred.

Selected Annual Information

Year		2018		2017		2016
Net sales or total revenue	\$	Nil	\$	Nil	\$	Nil
Net Loss:						
(i) in total (000's)	\$	8,382	\$	6,270	\$	4,968
(ii) per share ⁽¹⁾	\$	0.17	\$	0.16	\$	0.21
Working Capital/ (000's)	\$	2,791	\$	5,656	\$	4,521
Exploration and evaluation assets (000's)	\$	3,726	\$	3,626	\$	3,524
Total Assets (000's)	\$	6,867	\$	9,793	\$	8,775

(1) Per Share amounts are calculated using the weighted average number of shares outstanding.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Investing Activities

During the nine months ended September 30, 2019, the Company invested \$Nil (2018 - \$100,000) in property acquisitions related to the option agreement on the Musketeer property. During the nine months ended September 30, 2019 the Company purchased equipment for use on the Dolly Varden Property for \$Nil (2018 - \$64,206).

Financing Activities

During year ended December 31, 2018 the Company issued 4,375,000 common shares on the exercise of warrants for proceeds of \$1,471,875 and issued 350,000 common shares on exercise of options for proceeds of \$216,250.

On August 24, 2018 the Company closed the first tranche of its private placement and raised gross proceeds of \$3,700,200 through the sale of 6,727,636 flow-through shares at a price of \$0.55 per share. On September 28, 2018 the company closed the final tranche of its private placement financing to raise gross proceeds of \$500,500 through the sale of 910,000 flow-through shares at a price of \$0.55 per common share. Total gross proceeds raised in both the first and final tranche was \$4,200,700 from the sale of 7,637,636 flow through shares at \$0.55 per share. A finders' fee of 6% of the gross proceeds, totalling \$252,042, which included \$226,302 paid to Eventus Capital Corp., \$23,925 paid to PI Financial Corp. and \$1,815 paid to Industrial Alliance Securities Inc. The Company recorded a flow-through premium liability of \$634,501 for the difference between the fair value of its common shares and the issuance price of its flow-through common shares.

On June 28, 2019 the Company closed its private placement and raised gross proceeds of \$3,140,270 through the sale of 12,000,000 flow-shares shares at a price of \$0.25 per share and 701,351 common shares at \$0.20 per share. The sale of common shares was to Hecla Canada Ltd. pursuant to the ancillary rights agreement to maintain its pro-rata equity interest in the Company. A finders' fee was paid to Eventus Capital Corp. who received 846,000 common shares with a fair value of \$228,420, Sprott Capital Partners LP received \$9,000 and Industrial Alliance Securities Inc. received \$900. The Company recorded a flow-through premium liability of \$240,000 for the difference between the fair value of its commons shares and the issuance price of its flow-through common shares.

On September 12, 2019 the Company closed its private placement and raised gross proceeds of \$3,500,000 from the sale of 5,714,286 flow-through shares at \$0.35 per share and 5,000,000 common shares at \$0.30 per share. Pursuant to the ancillary rights agreement between the Company and Hecla, Hecla purchased 1,246,675 common shares at a price of \$0.30 per share in order to maintain its pro-rata equity interest in the Company. A finders' fee was paid to Mackie Research Capital Corp, who received 583,333 common shares with a fair value of \$236,349. The Company recorded a flow-through premium liability of \$314,286 for the difference between the fair value of its common shares and the issuance price of its flow-through common shares.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Transactions with Related Parties

The Company's related parties consist of directors and officers (being key management personnel), companies with directors and officers in common and/or companies owned in whole or in part by executive officers and/or directors of the Company. The Company incurred the following related party transactions:

For the nine months ended September 30,	2019	2018
Tom Wharton, Director		
Directors' fees	\$ 11,250	\$ 11,250
Share-based compensation	9,700	32,000
	<u>\$ 20,950</u>	<u>\$ 43,250</u>
Donald Birak, Director		
Directors' fees	\$ 12,375	\$ 12,375
Share-based compensation	9,700	32,000
	<u>\$ 22,075</u>	<u>\$ 44,375</u>
Stephen Brohman, Former CFO		
Management fees	\$ -	\$ 5,000
Share-based compensation	-	-
	<u>\$ -</u>	<u>\$ 5,000</u>
Carla Hartzenberg, CFO		
Share-based compensation	\$ 4,079	\$ 80,000
Darren Devine, Director		
Directors' fees	\$ 13,500	\$ 13,500
Share-based compensation	5,994	32,000
	<u>\$ 19,494</u>	<u>\$ 45,500</u>
James Sabala, Director		
Directors' fees	\$ 11,250	\$ 11,250
Share-based compensation	5,994	32,000
	<u>\$ 17,244</u>	<u>\$ 43,250</u>
Annette Cusworth, Director		
Directors' fees	\$ 11,250	\$ 11,250
Share-based compensation	5,994	32,000
	<u>\$ 17,244</u>	<u>\$ 43,250</u>
Melissa Martensen, Corporate Secretary		
Share-based compensation	\$ 6,155	\$ 64,000
Gary Cope, Director, President & CEO		
Management fees	\$ 180,000	\$ 180,000
Share-based compensation	14,181	96,000
	<u>\$ 194,181</u>	<u>\$ 276,000</u>
Belcarra Group (controlled by Gary Cope) *		
Management fees	\$ 32,642	32,894
Marketing and communications	70,152	68,767
Office and administration	73,338	87,195
Rent and maintenance	45,000	45,000
Costs included in exploration and evaluation	32,500	0
	<u>\$ 253,632</u>	<u>\$ 233,856</u>

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Transactions with Related Parties (cont'd)

	2019	2018
Velia Ledezma (paid through a company controlled by Gary Cope)		
Exploration and evaluation expenses	\$ 31,500	\$ 31,500
Share-based compensation	<u>3,851</u>	<u>48,000</u>
	\$ 35,351	\$ 79,500

* Administration fees were paid to a management service company controlled by Gary Cope that provides office space, a CFO, a corporate secretary, investor relations, accounting and administration staff to the Company on a shared cost basis.

At September 30, 2019, included in accounts payable and accrued liabilities is \$138 (December 31, 2018 - \$76,585) owed to directors, officers, and former directors and/or officers of the Company. These amounts are unsecured, non-interest bearing and are due on demand.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Proposed Transactions

As of the date of this MD&A the Company does not have any material proposed transactions.

Subsequent Events

None.

Liquidity and Capital Resources

The Company has no operations that generate cash flow. The Company's future financial success will depend on its ability to raise capital or on the discovery of one or more economic mineral deposits. Discovery may take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management. To date, the Company has financed its activities by the issuance of debt and equity securities, consisting of a combination of flow-through and non-flow securities. In order to continue funding exploration activities and corporate costs the Company is reliant on their ongoing ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for the target commodities, a company's track record, and the experience and caliber of the company's management. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Cash and Financial Condition

As at September 30, 2019, the Company had a working capital surplus of \$4,514,747, excluding the liability on flow-through share issuance.

Financial Instruments

The Company's financial instruments currently consist of cash, receivables, deposits, and accounts payable and accrued liabilities. The fair value of cash is based on Level 1 of the fair value hierarchy. The fair value of receivables, advances, deposits and accounts payable and accrued liabilities, loans and interest payable approximate their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Risk Factors

The Company is subject to risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to, continuing losses, dependence on key individuals, and the ability to secure adequate financing to meet minimum capital required to successfully complete its projects and continue as a going concern. These factors should be reviewed carefully.

The following risk factors, in addition to the risks noted above in the "Financial Instruments and Liquid and Capital Resources" sections, should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business.

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge of management and key employees and contractors of the Company may not eliminate. Few exploration and evaluation assets which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a mineral resource. The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing silver and other exploration and evaluation assets is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of the Company's exploration and evaluation assets may have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical

Risk Factors (cont'd)

risks to the exploration personnel working in the terrain in which the Company's exploration and evaluation assets are located, which are subject to poor climate conditions. The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its exploration and evaluation assets and to locate and acquire additional properties worthy of exploration and development for minerals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participation uneconomic.

Substantial Capital Requirements

Management of the Company anticipates that it may make substantial future capital expenditures for the acquisition, exploration, development and production of its exploration and evaluation assets. As the Company will be at the exploration stage with no revenue being generated from the exploration activities on its exploration and evaluation assets, the Company may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in its exploration and evaluation assets, miss certain acquisition opportunities and reduce or terminate its operations.

Competition

The mining industry is highly competitive. Many of the Company's competitors for the acquisition, exploration, production and development of exploration and evaluation assets, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than the Company.

Volatility of Mineral Prices

The market price of any mineral is volatile and is affected by numerous factors that are beyond the Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by the Company.

Mineral Reserves / Mineral Resources

The Company's exploration and evaluation assets are considered to be in the early exploration stage only and do not contain a known body of commercial minerals. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral reserve estimates for exploration and evaluation assets that have not yet commenced production may require revision based on actual production experience.

Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly

Risk Factors (cont'd)

development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing exploration and evaluation assets or require abandonment or delays in the development of new mining properties.

Reliance on Key Personnel

The success of the Company will be largely dependent upon the performance of its management and key employees and contractors. In assessing the risk of an investment in the shares of the Company, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of the Company.

Risk Factors (cont'd)

Conflicts of Interest

Certain directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies. As a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The Business Corporations Act (British Columbia) (the "BCBCA") provides that in the event that a director or senior officer has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director or senior officer must disclose his or her interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the knowledge of the management of the Company, as at the date hereof, there are no existing or potential material conflicts of interest between the Company and a director or officer of the Company except as otherwise disclosed in this MD&A.

Dividends

To date, the Company has not paid any dividends on its outstanding common shares. Any decision to pay dividends on the shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

Substantial number of authorized but unissued shares

The Company has an unlimited number of common shares which may be issued by the Board without further action or approval of the Company's shareholders, except in limited circumstances. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

Permits and Licenses

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company.

Further, the mining licenses and permits issued in respect of its mineral property may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in its exploration and evaluation assets may decline.

Title Risks

The acquisition of title to exploration and evaluation assets or interests therein is a very detailed and time-consuming process. The exploration and evaluation assets may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

DOLLY VARDEN SILVER CORPORATION
For the nine months ended September 30, 2019 and 2018
Management's Discussion and Analysis

Risk Factors (cont'd)

Limited Operating History

The Company was incorporated on March 4, 2011 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations. Even if the Company does undertake exploration activity on its exploration and evaluation assets, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks

The Company, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, the Company may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Outstanding Share Data

The Company has unlimited authorized common shares and the issued and outstanding share capital at the date of this MD&A is:

	Common shares issued and outstanding	Warrants	Options
Balance at December 31, 2017	45,009,768	5,267,550	3,430,000
Balance at December 31, 2018	57,372,404	-	4,070,000
Balance at November 21, 2019	83,464,049	-	4,005,000

Management's Responsibility for the Financial Statements

The information included in the condensed interim financial statements and this MD&A is the responsibility of management, and their preparation in accordance with IFRS requires management to make estimates and their assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed interim financial statements, and the reported amount of expenses during the reported period. Actual results could differ from those estimates.

Critical Accounting Estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities include, but are not limited to, the following:

i) Share-based compensation

The fair value of share-based payments is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

ii) Estimating useful life of equipment

Depreciation of equipment is charged to write down the value of those assets to their residual value over their respective estimated useful lives. Management is required to assess the useful economic lives and residual values of the assets such that depreciation is charged on a systematic basis to the current carrying amount. The useful lives are estimated having regard to such factors as asset maintenance, rate of technical and commercial obsolescence, and asset usage. The useful lives of key assets are reviewed annually.

iii) Deferred income taxes

Judgement is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

iv) Accrual of BC Mineral Exploration Tax Credit ("BC METC")

The provincial government of BC provides for a refundable tax on net qualified mining exploration expenditures incurred in BC. The credit is calculated as 20% of qualified mining exploration expenses less the amount of any assistance received or receivable. Management has estimated and accrued the likely refundable amount arising from expenses incurred in the current period. The determination of the expenditures which would qualify as mining exploration expenses was based on the previous years' tax filings and subsequent reviews by government auditors.

Adoption of New Accounting Standards, Amendments and Interpretations

IFRS 16- Leases

The Company has adopted the requirements of IFRS 16 Leases ("IFRS 16") as of January 1, 2019. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for leases. The details of the new accounting policy are described below.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The application of IFRS 16 did not have any impact on the amount recognized in the condensed interim financial statements. The Company has elected not to recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

Forward Looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.