

DOLLY VARDEN SILVER CORPORATION
For the three and nine month periods ended September 30, 2015 and 2014
Management's Discussion and Analysis

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2015 and 2014, and the audited financial statements of Dolly Varden Silver Corporation (the "Company") for the year ended December 31, 2014. 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 27, 2015, 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 property, subject to 2% net smelter return ("NSR") and has an option to acquire 100% interest in the Musketeer property.

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 the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production. 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.

HIGHLIGHTS AND SIGNIFICANT EVENTS

- On June 19, 2015, the Company implemented a one-for-ten consolidation of its common shares.
- On August 27, 2015, the Company announced a maiden indicated resource estimate of 31.8 million ounces of silver contained within 3.07 million tonnes of material with an average grade of 321.6 grams of silver per tonne and an additional 10.8 million ounces of silver contained within 0.9 million tonnes of material with an average grade of 373.3 grams of silver per tonne for the Dolly Varden Project.
- On September 30, 2015, the Company announced that it had arranged a \$1.5 million loan facility that can be increased to \$2.0 million at the lenders' discretion.

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- On October 23, 2015, the Company announced the termination of future accruals of common shares on a quarterly basis as payment to non-executive Board members and certain non-director employees under the Deferred Share Unit plan.

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 the Dolly Varden and Big Bulk claims and an option to earn a 100% interest in the Musketeer property.

Dolly Varden Properties

The Dolly Varden properties encompass several historic underground workings, including the Dolly Varden, North Star, Torbrit, and Wolf Mines, as well as several other developed showings and many mineralized prospects. The silver-rich deposits found on the Dolly Varden properties 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.

Since acquiring the Dolly Varden properties in 2011, field work was dedicated to confirming and expanding the known mineralization near the historic deposits: Dolly Varden (2012), Torbrit (2013), Wolf (2011) and North Star. The Company's work consisted of surface and underground mapping, underground rehabilitation, detailed sampling, data compilation from reliable historic records, and nearly 15,000 meters of core drilling.

The Company's 2014 exploration program was the first regional work completed in decades on the Dolly Varden properties. The program extended known mineralization signatures from the historic deposits, which were mined prior to the discoveries of Eskay and Brucejack, 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.

Musketeer Properties

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. A payment was made in February 2015 of \$183,333 with remaining payments due in February 2016 and 2018 of \$183,334 and \$100,000, respectively. 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, 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.

2015 Exploration Program

In July 2015, the Company commenced its 2015 field season with work focused on the Ace-Galena and Kitsol areas on the DV Project. Work completed during the current quarter included collection of 1,574 soil samples over a total of 40 line kilometers to infill portions of the property that had not been systematically soil sampled and geological mapping of the Ace-Galena and Moose-Climax-Last Chance target areas.

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Subsequent to the quarter end, the Company began phase two of the 2015 field program and mobilized field crews and two drill rigs to the DV Project. Approximately 2,200 meters of core drilling were planned to be completed to explore for high-grade volcanogenic massive sulfide at the Ace-Galena, and epithermal style mineralization at Kitsol.

Mineral Resource Estimate

A maiden National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI43-101") mineral resource estimate was released on August 27, 2015. The mineral resource estimate was completed by Giroux Consultants Ltd. and covered the four known deposits on the Dolly Varden Project. The Indicated resource estimate for the Dolly Varden, North Star, Torbrit, and Wolf deposit totals 3.18 million ounces of silver within 3.07 tonnes of material with an average grade of 321.6 grams of silver per tonne ("g/t silver"). The Inferred mineral resource totals an additional 10.8 million ounces of silver at a grade of 373.3 g/t silver within 0.9 million tonnes of material.

Readers should refer to the Company's continuous disclosure documents available at www.sedar.com for more detailed information regarding the mineral resource estimate, which is subject to the qualifications and notes set forth therein.

Qualified Person

The Dolly Varden Project exploration program is directed by Ron Nichols, P.Eng., 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, 2015

The net loss for the three months ended September 30, 2015 was \$679,088 as compared to \$208,039 for the prior year comparative period.

Expenses in the current quarter amounted to \$218,979 (2014 - \$254,632). The Company continues to reduce overall general and administrative expenses to conserve its cash and as result most categories of expenses were lower when compared to the corresponding prior year amounts. The variance in director fees quarter over quarter is primarily a result of the change in the fair value of the Deferred Share Units ("DSU") payable as the Company's share price varies. In addition, during the current quarter the Company paid in cash fees of \$5,094 to directors with no comparable cash payments in 2014. Marketing and communications expenses decreased significantly due to termination or expiration of marketing services contracts in the current quarter.

Finance charges of \$461,678 (September 30, 2014 - \$Nil) relates to the legal fees directly related to the loan and the fair value of the warrants issued to the lenders in relation to the credit facility secured during the quarter.

For the nine months ended September 30, 2015

The net loss for the nine months ended September 30, 2015 was \$1,259,439 as compared to \$863,126 for the prior year comparative period.

Expenses for the nine months amounted to \$806,125 (2014 - \$918,488). Expenditures for Professional fees of \$179,393 (2014 - \$96,524) were significantly higher due to increased corporate activity. Partially offsetting this variance was a significant decrease in Travel and Accommodation expenditures of \$13,072 (2014 - \$156,607) as result of changes in management and their location.

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Finance charges of \$461,678 (September 30, 2014 - \$Nil) relates to the legal fees directly related to the loan and the fair value of the warrants issued to the lenders in relation to the credit facility secured during the third quarter.

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		June 30		March 31		December 31	
	2015		2015		2015		2014	
Total assets	\$	19,734,338	\$	19,751,099	\$	20,016,625	\$	20,379,089
Exploration and evaluation assets	\$	19,153,283	\$	18,653,241	\$	18,524,739	\$	18,171,972
Equipment	\$	149,728	\$	159,195	\$	168,662	\$	178,129
Working capital/(deficiency)	\$	(496,311)	\$	397,298	\$	733,587	\$	1,342,756
Shareholders' equity	\$	19,017,733	\$	19,385,143	\$	19,577,580	\$	19,881,239
Interest income	\$	1,569	\$	2,761	\$	4,034	\$	8,877
Net loss	\$	(679,088)	\$	(192,707)	\$	(387,644)	\$	(266,452)
Basic loss per share ⁽¹⁾	\$	(0.04)	\$	(0.01)	\$	(0.02)	\$	(0.01)
Fully diluted loss per share	\$	(0.04)	\$	(0.01)	\$	(0.02)	\$	(0.01)

	September 30		June 30		March 31		December 31	
	2014		2014		2014		2013	
Total assets	\$	20,993,172	\$	15,860,410	\$	16,007,907	\$	16,039,648
Exploration and evaluation assets	\$	16,923,402	\$	14,259,403	\$	14,022,709	\$	13,697,045
Equipment	\$	195,270	\$	209,036	\$	222,802	\$	236,568
Working capital	\$	2,765,903	\$	483,406	\$	1,143,728	\$	1,447,388
Shareholders' equity	\$	20,165,579	\$	15,171,631	\$	15,507,156	\$	15,495,348
Interest income	\$	4,593	\$	1,840	\$	6,929	\$	1,808
Net loss	\$	(208,039)	\$	(379,443)	\$	(275,644)	\$	(434,412)
Basic loss per share ⁽¹⁾	\$	(0.01)	\$	(0.03)	\$	(0.02)	\$	(0.03)
Fully diluted loss per share	\$	(0.01)	\$	(0.03)	\$	(0.02)	\$	(0.03)

⁽¹⁾ On June 19, 2015, the common shares of the Company were consolidated on a 10:1 basis. Comparative periods are presented as if the 10:1 consolidation had taken place prior to the earliest periods presented.

In 2014, the second option payment to acquire the Musketeer property was made, however insignificant exploration costs were incurred on the property. A successful financing in the third quarter of 2014 permitted a late exploration program which stretched from approximately mid-August to mid-October on both the Dolly Varden and Musketeer

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properties with post field work continuing through to the end of 2014. In the first quarter of 2015, the third option payment to acquire the Musketeer property was made and during the third quarter of 2015 the Company commenced its field season. Total assets of the Company increased significantly in the third quarter of 2014 following the raise of significant capital in that period, with the levels remaining relatively constant in the subsequent quarters as the majority of the capital was expended and capitalized as Exploration and Evaluation assets.

Investing Activities

During the nine month period ended September 30, 2015, the Company invested \$193,333 (2014 - \$233,333) in property acquisitions and capitalized \$692,169 (2014 - \$1,083,254) of exploration costs. In addition, the Company advanced \$37,542 (\$1,531,397) as payment to be applied against final invoices for planned exploration work to be completed.

Financing Activities:

The Company did not complete any equity financings during the nine month period ended September 30, 2015 (2014 - \$5,463,437).

On September 30, 2015, the Company announced that it had arranged a credit facility in the principle amount of \$1,500,000 ("the Credit Facility"). The principal amount is available for drawdown overtime to complete drilling on regional targets within the Dolly Varden project and thereafter for working capital purposes. An additional \$500,000 may be made available to the Company at the Lenders' discretion.

In connection with the Credit Facility, the Company issued 2,500,000 warrants, each of which will entitle the holder to acquire once common share of the Company at a price of \$0.30 for a period of three years from the date of issuance.

Off Balance Sheet Arrangements

The Company is not party to any off balance sheet arrangements.

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:

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	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Allan Ambrose, Former Director ⁸				
Directors' fees ³	\$ 7,000	\$ 7,250	\$ 21,750	\$ 21,750
Share-based compensation (stock options)	-	-	10,750	-
	\$ 7,000	\$ 7,250	\$ 32,500	\$ 21,750
Allan Marter¹, Former Director ⁸				
Directors' fees ³	\$ 13,000	\$ 9,750	\$ 66,402	\$ 27,750
Share-based compensation (stock options)	-	-	21,500	-
	\$ 13,000	\$ 9,750	\$ 87,902	\$ 27,750
Connie Norman¹, Corporate Secretary				
Management & Consulting fees	\$ 4,958	\$ 7,000	\$ 17,799	\$ 18,225
Share-based compensation (stock options)	-	-	6,450	-
	\$ 4,958	\$ 7,000	\$ 24,249	\$ 18,225
George Heard, Former Director & President & CEO ⁴				
Directors' fees ³	\$ -	\$ -	\$ -	\$ 1,278
Management & Consulting fees	-	47,000	-	122,000
Share-based compensation (stock options)	-	-	-	-
	\$ -	\$ 47,000	\$ -	\$ 123,278
Ian He, Former Director ⁸				
Directors' fees ³	\$ 5,000	\$ 5,000	\$ 22,500	\$ 15,000
Share-based compensation (stock options)	-	-	10,750	-
	\$ 5,000	\$ 5,000	\$ 33,250	\$ 15,000
John King Burns, Former Director ⁵				
Directors' fees ³	\$ -	\$ 10,000	\$ 5,338	\$ 30,000
Tom Wharton, Director				
Directors' fees ⁹	\$ 5,000	\$ -	\$ 5,000	\$ -
Don Birak, Director				
Directors' fees ⁹	\$ 5,000	\$ -	\$ 5,000	\$ -
Keith Margetson¹, Former CFO				
Management & Consulting fees	\$ 3,000	\$ 7,500	\$ 21,000	\$ 25,500
Alain Voisin, CFO (from July 20, 2015)				
Management & Consulting fees	\$ 5,430	\$ -	\$ 5,430	\$ -
Ron Nichols¹, VP Exploration, Former President & CEO ⁶				
Costs included in exploration and evaluation assets	\$ 37,125	\$ 33,375	\$ 110,625	\$ 106,875
Rosie Moore, Director, Interim President & CEO ⁷				
Directors' fees ³	\$ -	\$ 5,000	\$ 1,278	\$ 15,000
Management & Consulting fees	45,000	-	125,323	-
Share-based compensation (stock options)	-	-	21,500	-
	\$ 45,000	\$ 5,000	\$ 148,101	\$ 15,000
Total related party transactions	\$ 130,513	\$ 131,875	\$ 478,395	\$ 383,378

Note 1: or a company controlled by the individual

Note 2: or a company controlled by or in which the individual has an indirect interest

Note 3: includes cash directors' fees and cash value of non-cash DSUs in 2015, cash value of non-cash DSUs only in 2014

Note 4: Mr. Heard served as Director from July 2012 to January 2015 and President & CEO from February 2014 to January 2015

Note 5: Mr. Burns served as Director from January 2012 to March 2015

Note 6: Mr. Nichols served as President & CEO from January 2012 to February 2014 and as VP Exploration from February 2014

Note 7: Ms. Moore served as Director from July 2013 and as Interim President & CEO from January 2015

Note 8: Mr. Ambrose, Mr. He and Mr. Marter resigned from the board effective September 30, 2015

Note 9: includes cash value of non-cash DSUs in 2015

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At September 30, 2015, included in accounts payable and accrued liabilities is \$158,141 as a provisional amount owed to Cambria Geosciences Inc. (Paul McGuigan, former VP Exploration) (December 31, 2014 - \$158,141), \$123,345 owing to current and former directors (December 31, 2014 - \$161,151) for directors' fees. An additional \$Nil (December 31, 2014 - \$8,432) was owed to directors and companies owned by officers.

Certain former directors of the Company had previous interests in a company that holds the 2% NSR on the Dolly Varden properties and the Licenses Agreement on the staging area nearby the Dolly Varden Project. The License agreement initially expired on June 30, 2014 but was extended at the rate of \$3,000 per month until December 31, 2014, and further extended to December 31, 2015 for \$42,000.

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 equity securities, consisting of a combination of flow-through and non-flow securities and most recently by debt. In order to continue funding their exploration activities, corporate costs and repayment of debt, exploration companies are usually 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 and repay the Credit Facility.

Cash and Financial Condition

As at September 30, 2015, the Company had a working capital deficiency of approximately \$500,000 and \$1,500,000 available under the Credit Facility. Subsequent to quarter end, the principle amount was drawn down to provide funds to complete planned drilling on regional targets within the Dolly Varden Project and thereafter for working capital purposes. An additional \$500,000 may be made available to the Company at the Lenders' discretion. The loan bears interest at a rate of 5% and is repayable after one year or may be repaid earlier with no penalty.

FINANCIAL INSTRUMENTS

The Company's financial instruments currently consist of cash, receivables, advances, 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 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

There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's annual MD&A filed on April 27, 2015.

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OUTSTANDING SHARE DATA

As at the date of this report, the Company had the following securities outstanding:

Common Shares	18,268,963
Warrants	2,500,000
Options	<u>1,355,000</u>
Fully Diluted	<u>22,123,963</u>

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information included in the audited 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

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 to 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.