

Dolly Varden Silver Corp.

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Vancouver, BC
V7X1J1 Phone: (604) 602-1440**

INFORMATION CIRCULAR

(As at May 23, 2022 except as indicated)

MANAGEMENT SOLICITATION

This information circular (the "Circular") is furnished to you in connection with the solicitation of proxies by management of Dolly Varden Silver Corp. ("we", "us", "Dolly Varden" or the "Company") for use at the annual general and special meeting (the "Meeting") of shareholders of the Company ("Shareholders") to be held at the offices of Stikeman Elliot LLP, 666 Burrard St, Suite 1700, Vancouver, BC V6C 2X8 at 10:00 am (Vancouver time) on Wednesday, June 22, 2022 and at any adjournment of the Meeting. We will conduct the solicitation by mail, and our officers, directors and employees may, without receiving special compensation, contact Shareholders by telephone, electronic means, or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse Shareholders, nominees, or agents for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

Please Read This Important Notice

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Company Shareholders, employees and other stakeholders, and based on government recommendations to avoid large gatherings, **we strongly encourage Shareholders to vote in advance of the Meeting rather than appearing in person, or appointing an alternate proxyholder to attend the Meeting in person.**

Any person who wishes to attend the Meeting in person must first register with the Meeting's host at least 72 hours in advance and receive approval, by calling Michael Stewart at 604-631-1440 or by email at mmstewart@stikeman.com.

The ability of Shareholders to attend the Meeting in person is subject to any governmental orders applicable at the time of the Meeting which might prevent or restrict Shareholders from attending in person. Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to the Meeting.

The Company continues to monitor developments regarding COVID-19. In the unlikely event that the Company decides any change to the date, time, location or format of the Meeting are necessary or appropriate due to difficulties arising from COVID-19, the Company will promptly notify Shareholders of the change by issuing a news release, a copy of which will be available on SEDAR at www.sedar.com.

GENERAL PROXY INFORMATION

Appointment of Proxyholders

The persons named as proxyholders in the enclosed form of proxy are the Company's directors or officers. **As a Shareholder, you have the right to appoint a person or company (who need not be a Shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the Company.

Voting by Proxy

The persons named in the accompanying form of proxy will vote or withhold from voting the Common Shares (as defined below) represented by the proxy in accordance with your instructions, provided your instructions are

clear. If you have specified a choice on any matter to be acted on at the Meeting, your Common Shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your Common Shares will be voted in favour of all matters.

The enclosed form of proxy gives the persons named as proxyholders discretionary authority regarding amendments to or variations of matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. **However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgment.**

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an "X" in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxyholders nominated by management will vote the Common Shares represented by your proxy in accordance with their judgment.**

Completion and Return of Proxy

You must deliver the completed form of proxy to the office of the Company's registrar and transfer agent, Computershare Investor Services Inc. (contact information below), or to the Company's head office at the address listed on the cover page of this Circular, by Monday, June 20, 2022 at 10:00 am (Vancouver time), which is not less than 48 hours (Saturdays, Sundays, and holidays excepted) before the scheduled time of the Meeting (or any adjournment, as applicable).

Mail:

Computershare Investor Services Inc.
Proxy Dept.
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1

Fax:

Within North America: 1-866-249-7775
Outside North America: 1-416-263-9524

Non-Registered Holders

Only Shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our Shareholders are "non-registered" shareholders because their Common Shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a "**Nominee**"). If you purchased your Common Shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "**NOBOs**" (Non-Objecting Beneficial Owners). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "**OBOs**".

In accordance with securities regulatory requirements under National Instrument 54-101- *Communication with Beneficial Owners of Securities of a Reporting Issuer*, we will have distributed copies of the Notice of Meeting, this Circular, and the form of proxy (the "**Meeting Materials**") directly to NOBOs and to the Nominees for onward distribution to OBOs. Management does not intend to pay for intermediaries to forward the Meeting Materials to OBOs under National Instrument 54-101 and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an OBO, the OBO will not receive the Meeting Materials unless the OBO's intermediary assumes the cost of delivery.

Nominees are required to forward the Meeting Materials to each OBO unless the OBO has waived the right to receive them. Common Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This voting instruction form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares they beneficially own. Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the non-registered holder may request a legal proxy as set forth in the VIF, which will grant the non-registered holder or his/her nominee the right to attend and vote at the Meeting. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

Revocability of Proxy

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company's registrar and transfer agent or to the Company's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a proxy authorization form or VIF or to revoke a waiver of your right to receive Meeting Materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

Advance notice of the Meeting was posted on the Company's SEDAR profile on April 21, 2022.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the laws of the Province of British Columbia, the country of Canada, and the applicable securities laws of the provinces of Canada. The proxy solicitation rules of the United States are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements under the securities laws of the provinces of Canada. Shareholders in the United States should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), certain of its directors and its executive officers are residents of Canada, and its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgement by a United States court.

CURRENCY

In this Circular, all dollar amounts are in Canadian Dollars unless otherwise specified.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as set out herein, none of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than (i) the election of directors; (ii) the ratification, confirmation and approval of the New Option Plan (as defined below), as set forth under the heading "*Particulars of Matters to be Acted Upon – 4-Incentive Stock Option Plan – Option Plan Resolution*"; and (iii) the ratification, confirmation and approval of the RSU Plan (as defined below), as set forth under the heading "*Particulars of Matters to be Acted Upon – 5-Restricted Share Unit Plan – RSU Plan Resolution*".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value (each, a "**Common Share**"), of which 230,612,954 Common Shares were issued and outstanding as of the record date, being May 18, 2022 (the "**Record Date**"). The Company has only one class of shares.

Persons who are registered Shareholders at the close of business on the Record Date will be entitled to receive notice of, attend, and vote at the Meeting, or complete, sign and deliver a form of proxy in the manner and subject to the provisions described in the section titled *Appointment of Proxyholders*. On a show of hands, every shareholder and proxyholder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each Common Share. In order to approve a motion proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, or as noted below, no person or company beneficially owns directly or indirectly, controls, or directs Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company, except:

1. Fury Gold Mines Limited ("**Fury**") exercises control or direction over 76,504,590 Common Shares, representing 33% of the Common Shares issued and outstanding as of the Record Date.
2. Hecla Canada Ltd. ("**Hecla**") exercises control or direction over 24,706,767 Common Shares, representing 10.7% of the Common Shares issued and outstanding as of the Record Date; and
3. 2176423 Ontario Ltd., which is controlled or directed by Eric Sprott, owns 18,662,486 Common Shares, representing 8% of the Common Shares outstanding as of the Record Date. Eric Sprott, through direct or indirect means, owns, controls or directs a total of 25,632,182 Common Shares, representing a total of 11.1% of the issued and outstanding Common Shares of Dolly Varden.

Pursuant to the investor rights agreement dated February 25, 2022 between Fury and the Company (the "**Investor Rights Agreement**"), Fury has a right to nominate two persons to the Company's board of directors (the "**Dolly Board**" or the "**Board**") so long as Fury owns greater than 20% of the Common Shares outstanding. Should Fury own greater than 10% but less than 20% of the Dolly Varden Common Shares outstanding, Fury shall have the right to appoint one nominee to the Dolly Varden board.

Pursuant to an ancillary rights agreement dated September 24, 2012 between Hecla and the Company (the "**Ancillary Rights Agreement**"), for as long as Hecla owns greater than 10% of the outstanding Common Shares, Hecla has the right to nominate one person to the Dolly Board.

No other group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

1-Financial Statements

The audited financial statements for the Company for the period ended December 31, 2021, together with the Auditor's Report thereon will be presented to Shareholders at the Meeting. The financial statements, together with the Auditor's Report thereon are available on the Company's SEDAR profile online, and a Shareholder can request a paper copy from the Company by email to accountant@dollyvardensilver.com with a mailing address and Shareholder's name, or by writing to the Company at the address on the first page of this Circular.

2-Election of Directors

The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless they resign or otherwise vacate office before that time.

Number of Directors

Under the Company's articles, the number of directors may be fixed or changed from time to time by ordinary resolution of the Board (as defined below) but must not be fewer than three. The ordinary resolution, the Board has set the number of directors at six. There are currently six nominee directors proposed for re-election at the Meeting.

Nominations and Voting

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below, all of whom are presently members of the Dolly Board. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the list of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the Common Shares represented by the proxy for the election of any other person or persons as directors.

Advance Notice for Additional Director Nominations

The Company's articles include advance notice provisions for the nomination of directors (the "**Advance Notice Provisions**"). The purpose of the Advance Notice Provisions is to provide Shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors. As the first public announcement of the Meeting was filed on the Company's SEDAR profile on April 21, 2022, the deadline for Shareholders to submit nominations for election to the Dolly Board at the Meeting is May 23, 2022.

In the case of this Meeting, a Shareholder would need to undertake the following in order to properly nominate one or more individuals for election as a director at the Meeting:

- a) provide to the Company on or before May 23, 2022:
 1. A notice setting out for each nominee,
 - a. the name, address, and principal occupation for the last five years
 - b. the number of Common Shares owned or controlled,
 - c. a statement regarding independence, pursuant to NI 52-110 *Audit Committees*, and
 - d. any other information that would be required in a dissident proxy circular.
 2. a notice setting out any information about the nominating shareholder equivalent to that required in a dissident proxy circular, including the number of Common Shares owned or controlled; and
- b) deliver to the Company an agreement to serve as director in a form reasonably required by the Company for each nominee on or before the Meeting.

At the sole discretion of the Chairman of the Meeting, the notices and representation above may be accepted in person at the Meeting for nomination of a director.

Management Nominees

Management proposes to nominate the persons named in the table below for election as directors. **Management recommends a vote "for" the appointment of each of the following nominees as directors of the Company. Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of each of the following nominees as directors of the Company.**

The information concerning the proposed nominees has been furnished by each of them as of the date of this Circular:

Name, Jurisdiction of Residence, and Present Office Held	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction Is Exercised	Principal Occupation During the Past Five Years
Shawn Khunkhun ⁽³⁾ Tsawwassen, BC, Canada	Feb 18, 2020	Nil	Corporate finance/mining executive. CEO and director of Dolly Varden since February 2020 and CEO & director of StrikePoint Gold Inc. since May 2013.
James Sabala ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾ Hayden Lake, ID, USA Director	October 7, 2016	150,000 Common Shares	Retired businessman; director of Thunder Mountain Gold Inc.; and former CFO and Senior VP of Hecla Mining Company.
Darren Devine ⁽¹⁾⁽²⁾⁽⁴⁾ Vancouver, BC, Canada Director and Chairman	August 25, 2016	150,000 Common Shares	Principal of CDM Capital Partners
Robert McLeod ⁽²⁾⁽³⁾ North Vancouver, BC, Canada	Feb 18, 2020	40,000 Common Shares	President, CEO and director of Blackwolf Copper and Gold, (a mineral resource exploration and development company); past President, CEO and Director of IDM Mining Ltd.
Forrester (Tim) Clark ⁽¹⁾⁽⁴⁾⁽⁶⁾ Wenham, Massachusetts, United States	February 25, 2022	Nil	CEO & Director of Fury Gold Mines Ltd. (a mineral resource exploration and development company); Managing Director at BMO Capital June 2014 to December 2020
Michael Henrichsen ⁽³⁾⁽⁶⁾ Bowen Island, British Columbia, Canada	February 25, 2022	Nil	Consulting Geologist; Chief Geological Officer at Fury Gold Mines Ltd. (a mineral resource exploration and development company), Chief Geological Officer at Torq Resources Inc., Chief Geological Officer at Coppertino Metals Inc, Chief Geologist at Tier One Silver, Director, President & Secretary at RV Mineral Exploration Consulting Ltd.

⁽¹⁾Member of the Audit Committee

⁽²⁾ Member of the Nominating and Governance Committee

⁽³⁾Member of the ESG and Safety Committee

⁽⁴⁾ Member of the Compensation Committee

⁽⁵⁾ Nominated to the Board by Hecla pursuant to an Ancillary Rights Agreement between the Company and Hecla

⁽⁶⁾Nominated to the Board by Fury pursuant to the Investor Rights Agreement

Other than Mr. Sabala, Mr. Clark and Mr. Henrichsen none of the proposed nominees for election as a director of the Company are proposed pursuant to any arrangement or understanding between the nominee and any other person. See *"Voting Securities And Principal Holders Of Voting Securities"* above.

Except as described below, no proposed director is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days,
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

The British Columbia Securities Commission, as principal regulator, issued a management cease trade order against Track X Holdings Inc., a Company of which Darren Devine was acting as a director, on January 29, 2020 in connection with the late filing of the company's financial statements, management's discussion and analysis and officer's certifications for the year ended September 30, 2019, the quarter ended December 31, 2019 and the quarter ended March 31, 2020. The management cease trade order was revoked on May 7, 2020 in connection with the completion of the filing of the financial statements. The British Columbia Securities Commission, as principal regulator, issued a management cease trade order against Chakana Copper Corp., a Company of which Darren Devine was acting as a director, on October 1, 2019 in connection with the late filing of the company's annual financial statements, management's discussion and analysis and officer's certifications for the year ended May 31, 2019. The management cease trade order was revoked on November 19, 2019 in connection with the completion of the annual filings.

Except as described below, no proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets. No proposed director of the Company has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the proposed director.

Mr. Sabala served as a director of Arch Coal (NYSE:ACI) ("**Arch**") since February of 2015. On January 11, 2016, Arch and substantially all of its wholly-owned domestic subsidiaries filed voluntary petitions for reorganisation under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Missouri. Arch and the ad hoc creditor group have agreed to the principal terms of a Chapter 11 plan of reorganisation, which was subject to approval by the Bankruptcy Court. On July 8, 2016, the United States Bankruptcy Court for the Eastern District of Missouri approved the Disclosure Statement filed in connection with Arch's proposed Plan of Reorganisation. With this approval, Arch solicited approval of the Plan of Reorganisation from its creditors. A hearing to consider confirmation of the Plan of Reorganisation by the Bankruptcy Court was held on September 13, 2016. The company emerged from reorganisation on October 1, 2016 and Mr. Sabala's tenure as a director ended.

No proposed director has been subject to any penalties or sanction imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3-Appointment of Auditor

Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of Davidson & Company LLP, Chartered Accountants, of 1200 – 609 Granville Street, Vancouver, British Columbia, as the Company's

auditor to hold office until the next annual general meeting. We propose that the Dolly Board be authorized to fix the remuneration to be paid to the auditor. Davidson & Company LLP was first appointed the Company's auditor by the Dolly Board on March 6, 2012.

To be approved, the resolution must be passed by a majority of the votes cast by the holders of Common Shares at the Meeting. **The Company's Audit Committee recommends a vote "for" in respect of the resolution approving the appointment of Davidson & Company LLP, Chartered Accountants and authorizing the directors to fix the auditor's remuneration. Unless otherwise instructed, the proxies solicited by management will be voted for the approval of the appointment of Davidson & Company LLP, Chartered Accountants and authorizing the directors to fix the auditor's remuneration.**

4-Incentive Stock Option Plan

On November 24, 2021, the TSX Venture Exchange ("**TSXV**") updated its Policy 4.4 – *Security Based Compensation* of the TSXV Corporate Financial Manual ("**Policy 4.4**") with respect to the treatment of stock options and other securities based compensation for TSXV listed issuers. In accordance with the updated policy, on May 20, 2022, the Board approved and adopted a new rolling 10% stock option plan (the "**New Option Plan**") that complies with the updated Policy 4.4. On May 18, 2022 the TSXV conditionally approved the New Option Plan, subject to the Shareholders' approval at the Meeting. The New Option Plan, if approved by the Shareholders at the Meeting, will replace the Company's current rolling stock option plan, which was most recently approved by the Company's Shareholders at the annual general meeting held on June 22, 2021 (the "**Existing Option Plan**"). Options granted under the Existing Option Plan will continue to be governed by the Existing Option Plan.

At the Meeting, the Company will be asking its Shareholders to consider, and if thought fit, pass with or without amendment, an ordinary resolution set forth below (the "**Option Plan Resolution**"), ratifying, confirming and approving the adoption of the New Option Plan, and reserving Common Shares from treasury for issuance under the New Option Plan.

The purpose of the New Option Plan is to provide the Company with the means to encourage, attract, retain and motivate qualified directors, officers, employees and consultants through equity participation, thus giving them an on-going proprietary interest in the Company.

Particulars of the New Option Plan

A summary of the material terms of the New Option Plan is provided below. Please refer to Appendix D in this Circular for full text of the New Option Plan. This summary is qualified in its entirety by the full text of the New Option Plan. Unless otherwise specified, all capitalized terms used in the following summary have the same meanings as those given to such terms in the New Option Plan.

Administration: The New Option Plan shall be administered by the Board, or any committee of the Board appointed by the Board to administer the New option Plan.

Number of Shares Reserved: The maximum number of Common Shares which may be issuable pursuant to outstanding Options granted under the New Option Plan and any other "rolling up to 10%" plans adopted by the Company (including the RSU Plan), from time to time, shall be equal to a maximum of 10% of the total number of issued and outstanding Common Shares calculated on the date an Option is granted or issued. The New Option Plan is an "evergreen" plan meaning any exercise of Options will, subject to the overall limit described above, make new grants available under the New Option Plan resulting in a reloading of the number of Options available for grant.

Eligible Participants: Options shall be granted only to Directors, Officers, Employee, Management Company Employees or Consultants of the Company (or any of its subsidiaries) ("**Eligible Participants**"), an RRSP and RRIF established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant and provided that in each case, the Eligible Participant is an Eligible Participant at the time of the grant. Subject to the foregoing, the Board shall have full and final authority to determine the Eligible Participants who are to be allocated and granted Options under New Option Plan. The Company and the Eligible Participant are responsible for ensuring and confirming that the Eligible Participant is a *bona fide* Eligible Participant.

Exercise Price: The exercise price of an Option shall be set when such Option is granted. The minimum exercise price per Common Share shall not be less than the “Discounted Market Price” (as defined in TSXV Policy 1.1 – *Interpretations*) allowed by the TSXV. Where the exercise price of an Option is at a discount to Market Price or where otherwise required under the TSXV Policies, all Options and any Common Shares issued under such Options exercised prior to the expiry of the Exchange Hold Period shall be legended with the Exchange Hold Period commencing on the date the Options were granted.

Cashless Exercise: The New Option Plan allows Option holders to elect to exercise vested Options on a cashless basis, if, at the time, the Company has engaged a brokerage firm to facilitate cashless exercises. Cashless exercise is a process whereby the selected brokerage firm will loan money to the exercising Option holder to exercise the applicable Options and then sell a sufficient number of the Common Shares underlying the exercised Options in order to repay the loan made to the exercising Option holder.

Maximum Term of Options: Options granted under the New Option Plan can be exercisable for a maximum of 10 years from the date of grant, subject to extension if the expiration date of an option falls within a black out period, then such expiration date will be automatically extended to the date which is the 10th business day following expiry of the black-out period.

Vesting of Options: Subject to the policies of the TSXV, an Option granted under the New Option Plan shall vest and may be exercised during the term of the Option in accordance with any vesting schedule as the Company may determine; however, Options issued to persons retained to provide Investor Relations Activities (as defined in TSXV Policy 1.1 – *Interpretations*) will be subject to a vesting schedule whereby no more than 25% of the Options granted may be vested in any three month period.

Maximum Options per Person: The number of Common Shares reserved for issuance to any one Eligible Participant pursuant to Options granted under the New Option Plan or awards under any other security based compensation plan during any 12-month period may not exceed 5% (or, in the case of a consultant, 2%) of the issued and outstanding Common Shares at the time of grant. The number of Common Shares reserved for issuance to Option holders who are engaged in Investor Relations Activities is limited to an aggregate of 2% of the issued and outstanding Common Shares at the time of grant. Unless the Company obtains disinterested shareholder approval in accordance with the New Option Plan and the policies of the TSXV, the maximum aggregate number of Common Shares that may be reserved for issuance to insiders of the Company under the New Option Plan or any other security based compensation plan; and the maximum aggregate number of Options granted to insiders of the Company under the New Option Plan or awards under any other security based compensation plan within a one-year period, may not exceed 10% of the issued and outstanding Common Shares as at the time of the applicable grant.

No Assignment: Options may not be assigned or transferred other than to an Eligible Participant’s personal RRSP or RRIF accounts or a company wholly owned by an Eligible Participant. Any transfer or issuance to a personal RRSP, RRIF or wholly owned company will be subject to certain restrictions on transfer and control of those personal entities.

Termination Before Expiry: Generally, Options will expire and terminate on a date stipulated at the time of the Option grant. If the Eligible Participant is terminated resigns in any circumstance other than for cause or upon death, such Option holder’s vested Options will expire 90 days following the date the Option holder ceases to be an Eligible Participant or on the expiry of such Option, whichever is earlier. The Company shall have discretion under the New Option Plan to extend the 90 day period in certain circumstances up to a maximum period of 12 months following the date the Option holder ceases to be an Eligible Participant. If an Eligible Participant is terminated for cause, such Options (vested or unvested) will terminate on the day of termination. If an Option holder dies, the vested Options of the deceased Option holder will be exercisable by his/her estate for a period not exceeding one year following the date of death or on the expiry of such Option, whichever is earlier.

Adjustments: The New Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of Options in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or a rights offering, amalgamation, merger or other relevant change in the Company’s corporate structure, or any other relevant change in the Company’s capitalization. Notwithstanding the provisions of the New Option Plan, upon the occurrence of a consolidation, reorganization, merger, amalgamation, statutory

arrangement or other arrangement, the Board shall have the discretion to accelerate the vesting provisions of the Options such that the Options shall be immediately exercisable and terminate immediately before the occurrence of such transaction.

Amendment and Termination of, and Amendments to, the New Option Plan: The Board may at any time, and from time to time, and without Shareholder approval, amend the New Option Plan to fix typographical errors or to clarify the existing provisions of the New Option Plan that do not substantively alter the scope, nature and intent of the provisions; or terminate the New Option Plan. Except as described below, any other amendment shall require the approval of the TSXV. Notwithstanding the foregoing and any TSXV approval to an amendment, the Company may not do any of the following without disinterested shareholder approval: (i) amend the percentage of Common Shares issuable under the New Option Plan; (ii) amend the limitations on Options issuable to a single person; (iii) amend the provisions related to Option pricing or the method for determining the exercise price of Options; (iv) alter the definition of "Eligible Participant" or the Persons eligible to participate in the New Option Plan; (v) reduce the exercise price of any Option issued under the New Option Plan issued to an insider; (vi) extend the expiry date of any Option issued under the New Option Plan to an insider; or (vii) amend the expiry and termination provisions in the New Option Plan. The Company may amend the terms of an Option without the acceptance of the TSXV in the following circumstances, (i) to reduce the number of Common Shares under Option; (ii) to increase the exercise price of an Option; or (iii) to cancel an Option.

Option Plan Resolution

Pursuant to the requirements of the TSXV, the New Option Plan must be approved by a simple majority of the votes cast by the Shareholders at the Meeting. The New Option Plan is intended to serve as a successor to the Existing Option Plan. If approved, the New Option Plan will become effective and replace the Existing Option Plan in its entirety. All outstanding Options granted under the Existing Option Plan will continue to be covered by the terms of and conditions of the instrument evidencing such Options and the Existing Option Plan; whereas each Option granted on or after May 20, 2022 will be governed solely by the terms and conditions of the instrument evidencing such Option and the New Option Plan.

At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the New Option Plan in the following form:

"RESOLVED, as an ordinary resolution, that:

1. The new stock option plan (the "New Option Plan") of Dolly Varden Silver Corporation (the "Company") in substantially the form described in, and appended to, the management information circular of the Company dated May 23, 2022, be and the same is hereby ratified, confirmed and approved subject to acceptance by the TSX Venture Exchange, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements.
2. The number of common shares of the Company reserved for issuance under the New Option Plan, together with the Company's other securities based compensation plans in existence from time to time is 10% of the then issued and outstanding common shares of the Company.
3. the directors of the Company or any committee of the board of directors of the Company be and is hereby authorized to grant stock options pursuant to and subject to the terms and conditions of the New Option Plan to those eligible to receive stock options thereunder.
4. All unallocated options to acquire common shares of the Company, rights or other entitlements available under the New Option Plan are hereby approved and authorized.
5. The board of directors of the Company is authorized and directed to make any changes to the New Option Plan, if required by the TSX Venture Exchange.
6. Any one director or officer of the Company is authorized and directed on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

The Board unanimously recommends that you vote “for” in respect of the Option Plan Resolution. Unless otherwise instructed, the proxies solicited by management will be voted for the approval of the New Option Plan.

5-Restricted Share Unit Plan

On May 20, 2022, the Board approved and adopted a new rolling 10% restricted share unit plan (the “**RSU Plan**”) that complies with the updated Policy 4.4. At the Meeting, the Company will be asking its Shareholders to consider, and if thought fit, pass with or without amendment, an ordinary resolution set forth below (the “**RSU Plan Resolution**”), ratifying, confirming and approving the adoption of the RSU Plan, and reserving Common Shares from treasury for issuance under the RSU Plan. On May 18, 2022 the TSXV conditionally approved the RSU Plan, subject to the Shareholders' approval at the Meeting.

The Board has adopted the RSU Plan for the benefit of the Company’s directors, officers, employees and consultants on May 20, 2022. The RSU Plan has been established as a vehicle by which equity-based incentives may be awarded to the directors, officers, employees and consultants of the Company; to recognize and reward their significant contributions to the long-term success of the Company including to align the interests of the Company’s directors, officers, employees and consultants more closely with Shareholders.

The Board intends to use Restricted Share Units (“**RSUs**”) issued under the RSU Plan, as well as Options issued under the New Option Plan as part of the Company’s overall executive compensating plan. Since the value of RSUs increase or decrease with the price of the Common Shares, RSUs reflect a philosophy of aligning the interests of holders with those of the Shareholders by tying compensation to the share price performance. In addition, RSUs assist in the retention of qualified and experienced person by rewarding those individuals who make a long term commitment.

Particulars of the RSU Plan

A summary of the material terms of the RSU Plan is provided below. Please refer to Appendix E in this Circular for full text of the RSU Plan. This summary is qualified in its entirety by the full text of the RSU Plan. Unless otherwise specified, all capitalized terms used in the following summary have the same meanings as those given to such terms in the New Option Plan.

Administration: The RSU Plan shall be administered by the Board, or any committee of the Board appointed by the Board to administer the RSU Plan.

Number of Shares Reserved: The maximum number of Common Shares which may be issuable upon vesting of outstanding RSUs granted under the RSU Plan and any other “rolling up to 10%” plans adopted by the Company (including the New Option Plan), from time to time, shall be equal to a maximum of 10% of the total number of issued and outstanding Common Shares calculated on the date an RSU is granted or issued. The RSU Plan is an “evergreen” plan meaning any vesting of an RSU will, subject to the overall limit described above, make new grants available under the RSU Plan resulting in a reloading of the number of RSUs available for grant.

Eligible Participants: RSUs shall be granted only to Eligible Participants, an RRSP and RRIF established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant and provided that in each case, the Eligible Participant is an Eligible Participant at the time of the grant. Subject to the foregoing, the Board shall have full and final authority to determine the Eligible Participants who are to be allocated and granted RSUs under RSU Plan. The Company and the Eligible Participant are responsible for ensuring and confirming that the Eligible Participant is a bona fide Eligible Participant. RSUs may not be granted to persons retained to provide Investor Relations Activities.

Vesting and Settlement of RSUs: Each RSU will vest on such terms as shall be specified by the Company at the time of granting the RSU. Except as otherwise provided in the RSU Plan, no RSUs may vest before the date that is one year following the date it is granted or issued. An RSU may, but is not required to, have performance conditions attached to it. Once vested, an RSU shall be settled by the Company by a payment to the Eligible Participant in cash or in Common Shares in accordance with the election provided by the Eligible Participant and the RSU Plan.

Maximum RSUs per Person: The number of Common Shares reserved for issuance to any one Eligible Participant pursuant to RSUs granted under the RSU Plan or other awards under any other security based compensation plan during any 12-month period may not exceed 5% (or, in the case of a consultant, 2%) of the issued and outstanding Common Shares at the time of grant. The number of Common Shares reserved for issuance to Eligible Participants who are engaged in Investor Relations Activities is limited to an aggregate of 2% of the issued and outstanding Common Shares at the time of grant. Unless the Company obtains disinterested shareholder approval in accordance with the RSU Plan and the policies of the TSXV, the maximum aggregate number of Common Shares that may be reserved for issuance to insiders of the Company under the RSU Plan or any other security based compensation plan; and the maximum aggregate number of RSUs granted to insiders of the Company under the RSU Plan or awards under any other security based compensation plan within a one-year period, may not exceed 10% of the issued and outstanding Common Shares as at the time of the applicable grant.

No Assignment: RSUs may not be assigned or transferred other than to an Eligible Participant's personal RRSP or RRIF accounts or a company wholly owned by an Eligible Participant. Any transfer or issuance to a personal RRSP, RRIF or wholly owned company will be subject to certain restrictions on transfer and control of those personal entities.

Termination Before Vesting: Subject to the Company's discretion to determine otherwise, if the Eligible Participant is terminated or resigns for any reason including upon death, any unvested RSUs shall be terminated as of such date and shall not thereafter continue to vest and any vested RSUs shall be settled within 30 days. If an RSU has performance vesting conditions which have not been satisfied at the time such Eligible Participant is terminated, then the RSU shall be considered unvested and terminate. If the Company exercises its discretion to allow the RSUs of a person who is no longer an Eligible Participant to continue vesting, such RSU must vest not later than 12 months following the date of termination.

Adjustments: The RSU Plan contains provisions for adjustment in the number of Common Shares or other property issuable on vesting of RSUs in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or a rights offering, amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization. Notwithstanding the provisions of the RSU Plan, upon the occurrence of a consolidation, reorganization, merger, amalgamation, statutory arrangement or other arrangement, the Board shall have the discretion to accelerate the vesting provisions of the RSUs such that the RSUs shall vest immediately before the occurrence of such transaction.

Amendment and Termination of, and Amendments to, the RSU Plan: The Board may at any time, and from time to time, and without Shareholder approval, amend the RSU Plan to fix typographical errors or to clarify the existing provisions of the RSU Plan that do not substantively alter the scope, nature and intent of the provisions; or terminate the RSU Plan. Except as described below, any other amendment shall require the approval of the TSXV. Notwithstanding the foregoing and any TSXV approval to an amendment, the Company may not do any of the following without disinterested shareholder approval: (i) amend the percentage of Common Shares issuable under the RSU Plan; (ii) amend the limitations on RSUs issuable to a single person; (iii) alter the definition of "Eligible Participant" or the Persons eligible to participate in the RSU Plan; (iv) amend the provisions of any RSU issued under the RSU Plan issued to an insider where such amendment would result in a benefit to the insider; or (v) amend the expiry and termination provisions in the RSU Plan. The Company may amend the terms of an RSU without the acceptance of the TSXV in the following circumstances, (i) to reduce the number of Common Shares under RSUs; (ii) to impose additional performance criteria or other vesting conditions; or (iii) to cancel an RSU.

RSU Plan Resolution

Pursuant to the requirements of the TSXV, the RSU Plan must be approved by a simple majority of the votes cast by the Shareholders at the Meeting. At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the RSU Plan in the following form:

"**RESOLVED**, as an ordinary resolution, that:

1. The restricted share unit plan (the "RSU Plan") of Dolly Varden Silver Corporation (the "Company") in substantially the form described in, and appended to, the management information circular of the Company

dated May 23, 2022, be and the same is hereby ratified, confirmed and approved subject to acceptance by the TSX Venture Exchange, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements.

2. The number of common shares of the Company reserved for issuance under the RSU Plan, together with the Company's other securities based compensation plans in existence from time to time is 10% of the then issued and outstanding common shares of the Company.
3. The directors of the Company or any committee of the board of directors of the Company be and is hereby authorized to issue restricted share units pursuant to and subject to the terms and conditions of the RSU Plan to those eligible to receive restricted share units thereunder.
4. Notwithstanding that these resolutions be passed by the shareholders of the Company, the adoption of the RSU Plan is conditional upon receipt of final approval of the TSXV, and the board of directors of the Company is hereby authorized and empowered to make any changes to the RSU Plan, if required by the TSX Venture Exchange, or to revoke these resolutions, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the board of directors.
5. Any one director or officer of the Company is authorized and directed on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

The Board unanimously recommends that you vote "for" in respect of the RSU Plan Resolution. Unless otherwise instructed, the proxies solicited by management will be voted for the approval of the RSU Plan.

OTHER MATTERS

Management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting and further described above. Should any other matters properly come before the Meeting, the Common Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company has appointed a Compensation Committee and adopted a Compensation Committee Charter in order that the Compensation Committee may guide the compensation program. See Appendix B of this Circular for a full copy of the Compensation Committee Charter. The Board meets to discuss and determine management compensation, upon recommendation by the Compensation Committee, without reference to formal objectives, criteria or analysis.

The general objectives of the Company's compensation strategy are to:

- (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value;
- (b) align management's interests with the long-term interest of shareholders;
- (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and
- (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a natural resource company without a history of earnings.

The Dolly Board, as a whole, ensures that total compensation paid to all Named Executive Officers (as hereinafter defined) is fair and reasonable. The Dolly Board relies on the experience of its members as officers and directors with other companies in assessing compensation levels.

The Dolly Board considered the risks associated with the current compensation program, but did not note any potential material adverse effects. No director or Named Executive Officer is permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of the Company's equity securities held directly or indirectly.

Analysis of Elements

Base salary compensation is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his or her responsibilities to the best of their ability and in the best interests of the Company.

The Company considers the granting of incentive stock options ("**Options**") to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for Shareholders without requiring the Company to use cash from its treasury. Options are generally awarded to directors, officers, consultants and employees periodically at the discretion of the Dolly Board. The terms and conditions of the Company's Option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's Existing Option Plan.

The Dolly Board determines the amount for each element of pay after consulting with management. There is no set formula for determining each element, and decisions are subjective, but historical Option grant amounts are considered when setting new grant amounts. The Company considers the compensation of officers and directors to be a significant component of achieving long term Company objectives and success, while also managing cash flow, risk, and setting out an appropriate budget for each year while planning strategy. No peer group is used when determining compensation.

Long-Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than the Existing Option Plan. The Company's directors, officers, employees and consultants are entitled to participate in the Existing Option Plan. The Existing Option Plan is designed to encourage share ownership and entrepreneurship on the part of senior management, employees and other consultants. The Dolly Board believes that the Existing Option Plan aligns the interests of the Named Executive Officers and the Dolly Board with Shareholders by linking a component of executive compensation to the longer-term performance of the Common Shares.

On May 20, 2022, the Board approved the New Option Plan and RSU Plan. The New Option Plan is intended to serve as successor to the Existing Option Plan, and to replace the Existing Option Plan in its entirety (other than with respect to Options granted prior to May 20, 2022). The New Option Plan is subject to approval from the Company's Shareholders by way of an ordinary resolution to be passed at the Meeting, and acceptance by the TSXV. For a detailed description of the provisions of the New Option Plan, please see "*Particulars of Matters to be Acted Upon – 4-Incentive Stock Option Plan*" above.

The Board has also approved the adoption of the RSU Plan as a further vehicle by which equity-based incentives may be awarded to the directors, officers, employees and consultants of the Company; to recognize and reward their significant contributions to the long-term success of the Company including to align the interests of the Company's directors, officers, employees and consultants more closely with Shareholders. The Board intends to use RSUs issued under the RSU Plan, as well as Options issued under the New Option Plan as part of the Company's overall executive compensating plan.

Options to purchase Common Shares under the terms of the Existing Option Plan are granted by the Dolly Board. In monitoring or adjusting the option allotments, the Dolly Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Named Executive Officers and the Dolly Board. In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Dolly Board also makes the following determinations:

- the parties who are entitled to participate in the Existing Option Plan;
- the exercise price for each Option granted;
- the date on which each Option is granted;
- the vesting period, if any, for each Option;
- the other material terms and conditions of each Option grant; and
- any re-pricing or amendment to a Option grant.

The Dolly Board makes these determinations subject to and in accordance with the provisions of the Existing Option Plan. The Dolly Board reviews and approves grants of Options periodically during the financial year.

Pursuant to the Existing Option Plan, the Dolly Board grants Options to directors, officers, employees and consultants as incentives. The level of Options awarded to a Named Executive Officer is determined by his position and his potential future contributions to the Company. The exercise price of Options is determined by the Dolly Board but will in no event be less than the closing trading price of the Common Shares on the TSXV on the day before a Option is granted.

The executive officers and Board refer to the Compensation Committee with respect to setting or amending any equity incentive plans under which share-based or option-based awards are granted. The Compensation Committee carries out these responsibilities in accordance with the Compensation Committee Charter.

Particulars of the Existing Option Plan

Number of Shares Reserved: The number of Common Shares issuable under the Existing Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares.

Administration: The Existing Option Plan will be administered by the Dolly Board.

Service Providers: Options may only be issued to persons who are *bona fide* directors, officers, employees, management company employees or consultants of the Company; or a company that is wholly-owned by any of the foregoing. Such persons and entities are referred to herein as "**Service Providers**".

Maximum Term of Options: Options granted under the Existing Option Plan can be exercisable for a maximum of 10 years from the date of grant, subject to extension if the expiration date of an Option falls within a black out period, then such expiration date will be automatically extended to the date which is the 10th business day following expiry of the black-out period.

Maximum Options per Person: The number of Common Shares reserved for issuance to any one Option holder pursuant to Options granted under the Existing Option Plan during any 12-month period may not exceed 5% (or, in the case of a consultant, 2%) of the issued and outstanding Common Shares at the time of grant. The number of Common Shares reserved for issuance to Option holders who are engaged in Investor Relations Activities (as defined in Policy 1.1. of the TSX-V) is limited to an aggregate of 2% of the issued and outstanding Common Shares at the time of grant.

No Assignment: Options may not be assigned or transferred.

Termination Before Expiry: Generally, Options will expire and terminate on a date stipulated by the Dolly Board at the time of grant. If the employment of an Option holder who is a Service Provider is terminated without cause, such Option holder's vested Options will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Dolly Board as at the date of grant or agreed by the Dolly Board and the Option holder at any time prior to the expiry of the Option) following the date the Option holder ceases to be employed by or provide services to the Company or on the expiry of such Options, whichever is earlier. If the employment of an Option holder who is a Service Provider is terminated for cause, such Option holder's Options (vested or unvested) will terminate on the day of termination. If an Option holder dies, the vested Options of the deceased Option holder will be exercisable by his/her estate for a period not exceeding one year following the date of the deceased Option holder's death or on the expiry of such vested Options, whichever is earlier.

Exercise Price: Subject to any adjustments made pursuant to the Existing Option Plan, Options granted under the terms of the Existing Option Plan will be exercisable at a price that is not less than the Discounted Market Price (as defined in Policy 1.1 of the TSX-V). If the Company does not issue a news release to fix the exercise price pursuant to TSX-V policies, the Discounted Market Price is the last closing price of the Common Shares before the date of the grant.

Reduction of Exercise Price: The exercise price of Options granted to insiders may not be decreased without disinterested shareholder approval.

Change of Control: If a Change of Control Event (as defined in the Existing Option Plan) occurs, then the Dolly Board may authorize and implement one or more of the following actions: (a) accelerate the vesting of any Options and any Options that are not exercised or surrendered by the effective time of the Change of Control Event will be deemed to be expired; (b) allow an Option holder to surrender such Option holder's Options in exchange for a cash payment equal to the In the Money Amount (as defined in the Existing Option Plan); and/or (c) deem that a Option granted under the Existing Option Plan be exchanged for an Option to acquire, for the same aggregate exercise price, that number and type of securities as would be distributed to a holder of Options in respect of the Common Shares issued to such Option holder had he or she fully exercised the Options before the effective time of the Change of Control Event, provided that any such replacement Option must provide that it survives for a period of not less than

one year from the effective time of the Change of Control Event, regardless of the continuing directorship, officership, or employment of the Option holder.

Adjustments: The Existing Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of Options in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to, among other things, approve the New Option Plan, as described above and under the heading "*Particulars of Matters to Be Acted Upon – 4-Incentive Stock Option Plan*".

Summary of Compensation

For the purposes of this Circular, "**Named Executive Officer**" means each of the following individuals:

- (a) the chief executive officer ("**CEO**") of the Company;
- (b) the chief financial officer ("**CFO**") of the Company;
- (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the year ended December 31, 2020; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity, on December 31, 2021.

Table of Compensation Excluding Compensation Securities for Directors and Named Executive Officers

During the financial year ended December 31, 2021, the Company had three Named Executive Officers: Shawn Khunkhun, President and CEO; Ann Fehr, CFO and Corporate Secretary of the Company; and Robert van Egmond, Chief Geologist. The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the financial years ended December 31, 2021, and 2020. For the information concerning compensation related to previous years, please refer to the Company's previous information circulars available on its SEDAR profile at www.sedar.com.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All other Compensation (\$)	Total Compensation (\$)
Shawn Khunkhun ¹ , President, CEO, Director	2021	276,000 ⁴	30,000 ⁴	Nil	Nil	Nil	306,000
	2020	208,276 ⁴	55,000 ⁴	Nil	Nil	Nil	263,276
Ann Fehr ² , CFO	2021	69,500 ⁵	Nil	Nil	Nil	Nil	69,500
	2020	41,500 ⁵	10,000 ⁵	Nil	Nil	Nil	51,500
Robert van Egmond	2021	198,000	Nil	Nil	Nil	Nil	198,000
	2020	180,000	Nil	Nil	Nil	Nil	180,000
Robert McLeod ³ , Director	2021	90,000 ⁶	20,000 ⁶	Nil	Nil	Nil	110,000
	2020	105,662 ⁶	Nil	Nil	Nil	Nil	105,662
Darren Devine, Director	2021	Nil	Nil	20,700	Nil	Nil	20,700
	2020	10,000 ⁷	Nil	18,000	Nil	Nil	28,000
Donald Birak ⁹ , Director	2021	1,536 ¹⁰	Nil	18,975	Nil	Nil	20,511
	2020	3,800	Nil	16,500	Nil	Nil	16,500
James Sabala, Director	2021	Nil	Nil	17,250	Nil	Nil	17,250
	2020	Nil	Nil	15,000	Nil	Nil	15,000
Thomas Wharton ⁹ , Director	2021	Nil	Nil	17,250	Nil	Nil	17,250
	2020	19,253 ⁸	Nil	15,000	Nil	Nil	34,253
Annette Cusworth ⁹ , Director	2021	Nil	Nil	17,250	Nil	Nil	17,250
	2020	Nil	Nil	15,000	Nil	Nil	15,000

¹ On February 18, 2020 Mr. Khunkhun was appointed as President, CEO and a director of the Company. Mr. Khunkhun does not receive any compensation for his role as a director of the Company.

² On March 1, 2020 Ms. Fehr was appointed as CFO and Corporate Secretary of the Company.

³ On February 18, 2020 Mr. McLeod was appointed as a director of the Company.

⁴ The Company entered into a consulting service agreement with S2K Capital Corp. and Mr. Shawn Khunkhun, the Chief Executive Officer and Director of the Company. Pursuant to this consulting agreement, Mr. Khunkhun is compensated at a rate of \$24,000 (2020 - \$20,000) per month. The Company is required to pay an equivalent to 24 months' pay plus an average of any cash performance bonus paid to Mr. Khunkhun in the previous two completed financial years if the consulting agreement is terminated by either party absent an event of default during the twelve-month period following the date of a change in control of the Company. If the agreement is terminated for reasons other than event of default, the Company is required to pay a sum of equal to 12 months' pay to Mr. Khunkhun.

⁵ The Company entered into a consulting service agreement with Fehr & Associates and Mrs. Ann Fehr, the Chief Financial Officer of the Company. Pursuant to this consulting agreement, Fehr & Associates is compensated at a rate of \$12,000 (2020 - \$10,000) per month where an estimated average \$5,850 (2020 - \$4,500) relates to the Chief Financial Officer services.

⁶ Paid to Linus Geological, a company owned by Robert McLeod for Project Supervision fees.

⁷ Paid to Chelmer Consulting, a company owned by Darren Devine for consulting fees.

⁸ Paid to Wharton Consulting, a company owned by Thomas Wharton for consulting fees.

⁹ Resigned as a Director of the company on February 25, 2022

¹⁰ Paid to Birak Consulting, a company owned by Donald Birak for consulting fees.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table discloses the particulars of all compensation securities granted or issued during the year ended December 31, 2021 for each Named Executive Officer and director:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class (#)	Date of Issue or Grant	Issue, Conversion, or Exercise Price (\$)	Closing Price of Security or underlying security on date of grant (\$)	Closing Price of Security or underlying security at year end (\$) ¹	Expiry Date
Shawn Khunkhun, CEO, President and Director	Stock Options	500,000 6.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Ann Fehr, CFO	Stock Options	300,000 4%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Robert van Egmond, Chief Geologist	Stock Options	200,000 2.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Robert McLeod, Director	Stock Options	200,000 2.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Darren Devine, Director and Chairman	Stock Options	250,000 3.4%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Annette Cusworth ² , Director	Stock Options	200,000 2.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
James Sabala, Director	Stock Options	200,000 2.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Donald Birak ² , Director	Stock Options	200,000 2.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Thomas Wharton ² , Director	Stock Options	200,000 2.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026
Robert McLeod, Director	Stock Options	200,000 2.7%	March 25, 2021	0.71	0.62	0.63	March 25, 2026

¹ This amount is the closing market value of securities underlying the options on December 31, 2021, the last trading day of the Common Shares for the financial year, which was \$0.63.

² Resigned as a Director of the company on February 25, 2022

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Corporation's financial year ended December 31, 2021.

Name & Position	Number of Options	Exercise price	Vesting Provisions
Shawn Khunkhun, President, CEO, Director	1,000,000	\$0.25	Vests quarterly in equal installments over a period of twenty-four (24) months from Feb 18, 2020, 875,000 vested at year ended Dec 31, 2021
	1,000,000 performance options	\$0.25	250,000 of performance options vested at year ended Dec 31, 2020
	500,000	0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 333,333 vested at year ended Dec 31, 2021
Ann Fehr, CFO	120,000	\$0.25	Vests 50% March 1, 2020, 50% in equal installments over a period of twenty-four (24) months from March 1, 2020, 112,500 vested at year ended Dec 31, 2020
	300,000	0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 200,000 vested at year ended Dec 31, 2021
Robert van Egmond	200,000	0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 200,000 vested at year ended Dec 31, 2021

Name & Position	Number of Options	Exercise price	Vesting Provisions
Darren Devine, Director	150,000	\$0.40	Fully vested
	50,000	\$0.40	Fully vested
	50,000	\$0.30	Fully vested
	150,000	\$0.25	Vests quarterly in equal installments over a period of twenty-four (24) months from March 23, 2020, 131,250 vested at year ended Dec 31, 2020
	250,000	0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 166,677 vested at year ended Dec 31, 2021
Donald Birak ¹ , Director	50,000	\$0.40	Fully vested
	50,000	\$0.30	Fully vested
	200,000	\$0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 133,333 vested at year ended Dec 31, 2021
James Sabala, Director	150,000	\$0.40	Fully vested
	50,000	\$0.40	Fully vested
	50,000	\$0.30	Fully vested
	200,000	\$0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 133,333 vested at year ended Dec 31, 2021
Thomas Wharton ¹ , Director	50,000	\$0.40	Fully vested
	50,000	\$0.40	Fully vested
		\$0.30	Fully vested
	200,000	\$0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 133,333 vested at year ended Dec 31, 2021
Annette Cusworth ¹ , Director	150,000	\$0.40	Fully vested
	50,000	\$0.40	Fully vested
	50,000	\$0.30	Fully vested
	200,000	\$0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve month from March 25, 2021, 133,333 vested at year ended Dec 31, 2021

Name & Position	Number of Options	Exercise price	Vesting Provisions
Robert McLeod, Director	500,000	\$0.25	Vests quarterly in equal installments over a period of twenty-four (24) months from Feb 18, 2020, 437,500 vested at year ended Dec 31, 2020
	200,000	0.71	Vests in equal installments, 1/3 immediately, 1/3 in six months, 1/3 in twelve months from March 25, 2021, 133,333 vested at year ended Dec 31, 2021

¹ Resigned as a Director of the company on February 25, 2022

Exercise of Compensation Securities by Directors and NEOs

The following table discloses the total amount of compensation securities exercised by directors or Named Executive Officers during the most recently completed financial year ending December 31, 2021.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise	Difference between exercise price and closing price on date of exercise	Total value on exercise date
Thomas Wharton, Director ¹	Stock Options	225,000	0.40	July 27, 2021	0.47	0.07	15,750

¹ On February 25, 2022 Mr. Wharton resigned as a director of the Company

Hedging by NEOs or Directors

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Pension Plan Benefits

The Company does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

S2K AGREEMENT

Under the terms of the S2K Agreement (defined below), in the event of death or as a result of termination due to disability, Mr. Khunkhun's Stock Options which have not vested, will vest immediately and the Company will pay any accrued and unpaid Consulting Fees (as defined in the S2K Agreement), pro-rated to the termination and reimbursement for any un-reimbursed expenses incurred through to the termination date.

In the event that the S2K Agreement is terminated by the Company for an Event of Default (as defined in the S2K Agreement), Mr. Khunkhun shall not be entitled to any Consulting Fees or other compensation, other than for amounts otherwise due and owing up to the termination date, and all of Mr. Khunkhun's Stock Options shall terminate and shall become null and void as of the termination date.

If the S2K Agreement is terminated by the Company (other than for an Event of Default or in the event of death, then the Company shall pay Mr. Khunkhun a lump sum amount equal to twelve (12) months of the Consulting Fee, which amount is payable within 30 days of the termination date. Immediately effective on the termination date, the Consultant's Stock Options which have not vested shall vest immediately. Based on the assumption that the triggering event occurred on December 31, 2021, the estimated incremental payment to Mr. Khunkhun, under the foregoing provision, would have been \$288,000.

In the event of a Change of Control (as defined in the S2K Agreement) in the 12-month period following the Change of Control, the Company shall pay Mr. Khunkhun a fee equal to twenty-four (24) times the monthly Consulting Fee plus the simple average of any cash performance bonus paid to Mr. Khunkhun in the previous two (2) completed financial years, if any, which amount is payable within 30 days of the termination date. Mr. Khunkhun may immediately terminate the S2K Agreement at any time within twelve (12) months of a Change of Control by giving the Company written notice of such termination. In such case, the Company shall pay Mr. Khunkhun on the Termination Date an amount equal to the amount set out above. Based on the assumption that the triggering event occurred on December 31, 2021, the estimated incremental payment to Mr. Khunkhun, under the foregoing provision, would have been \$618,100. Mr. Khunkhun shall have three (3) months from the date on which the Company delivers a notice of termination to him or he delivers notice of termination to the Company pursuant to the Change of Control section of the S2K Agreement, as applicable, to exercise the Mr. Khunkhun's Stock Options which have vested, subject to the terms of the Existing Option Plan, failing which such Stock Options shall terminate and become null and void.

FEHR AGREEMENT

There are no change of control or termination provisions under the Fehr Agreement (defined below) that provide for payments to Fehr & Associates. Under the terms of the Fehr Agreement, in the event of early termination, for whatever reason, the Company will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. In the event of a Change of Control the notice period required for termination is 3 months.

Other than as set out above, there are no compensatory plans or arrangements, with respect to any Named Executive Officer, resulting from the resignation, retirement or any other termination of employment of the officer or from a change in control of the Company or a change of any Named Executive Officer's responsibilities following a change of control.

EXTERNAL MANAGEMENT COMPANIES

Management functions of the Company are substantially performed by directors or executive officers of the Company and not to any substantial degree by any other person with whom the Company has contracted, other than the following:

1. Pursuant to the consulting agreement dated February 18, 2020 between the Company and S2K Capital Corp., of Tsawwassen, BC, a company wholly owned by Shawn Khunkhun (the "S2K Agreement"), S2K

Capital Corp. provides CEO and President services to the Company. S2K Capital Corp. is engaged in the business of mineral exploration and development. Under the terms of the S2K Agreement, the Company paid to S2K Capital Corp. a monthly consulting fee of \$24,000 (2020 - \$20,000) plus applicable GST. The monthly fee was increased to \$24,000 effective April 1, 2021. The Company or S2K Capital Corp. may terminate the S2K Agreement at any time in accordance with the terms and conditions of the S2K Agreement provided 90 days prior written notice has first been provided to the Company or reasonable notice has been provided to S2K Capital Corp., as applicable. S2K Capital Partners was not indebted to the Company during the Company's last completed financial year and is not indebted to the Company as of the date hereof.

2. Pursuant to the agreement dated February 24, 2020 between the Company and Fehr & Associates of Vancouver, BC, a company wholly-owned by Ann Fehr (the "**Fehr Agreement**"), Fehr & Associates provides CFO services and outsourced accounting department services for the Company, which includes ongoing technical accounting support for regulatory filings and some day-to-day corporate secretary, administration and bookkeeping services.² Under the terms of the Fehr Agreement, the Company paid to Fehr and Associates a monthly fixed fee of \$12,000 (2020 - \$10,000). The monthly fee was increased to \$12,000 effective April 12, 2021. The fee covers four Fehr & Associates staff and their related costs, including Ms. Fehr. During 2021 total hours of staff, not including Ms. Fehr was 830 hours. The bookkeeper works approximately 50% of her time with the Company, the Controller works 15% of his time and the assistant corporate secretary works 7% of her time for the Company. The hourly fees for out-of-scope work are \$75 for bookkeeping services and junior admin, \$125 for senior admin/governance support, \$110-125 for Financial Statement preparation & special reports, \$150 for Taxation, and \$150 for Strategic & Business Planning Services. Fehr & Associates was not indebted to the Company during the Company's last completed financial year and is not indebted to the Company as of the date hereof.

MANAGEMENT CONTRACTS

Except as set out herein under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – External Management Companies*", there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

DIRECTOR COMPENSATION

As at the date of this Circular, the Company has six directors, one of whom is also a Named Executive Officer.

The Company adopted a set of standard fees for independent director activities on December 2, 2016 pursuant to which directors are compensated by the Company for their services as directors, for committee participation, or for involvement in special assignments including special committees, and the granting from time to time of incentive stock options in accordance with the policies of the TSX-V. On March 25, 2021 the Board approved a 20% increase in directors fees. Each independent director is entitled to \$1,200 per month. The Chairman of the Dolly Board is entitled to a further \$600 per month. Each Chair of the Nominating and Governance Committee, the Health/Safety/Environmental Committee, the Compensation Committee, and the Audit Committee is entitled to a further \$300 per month. The members of the Technical Committee who are also independent directors are entitled to a further \$150 per month. The Dolly Board reviews the compensation of directors annually, taking into consideration any recommendations made by the Compensation Committee.

Deferred Share Unit Plan

The Company had a Deferred Share Units ("**DSUs**") plan which entitles certain directors to accrue share-based compensation to receive the cash equivalent of the DSUs 90 days after they retire or terminate their contract with the Company. In October of 2015, the Company ended accruals under the DSU plan and ceased issuing DSUs for payment of director fees. Thomas Wharton and Donald Birak, who resigned as directors of the Company on February

25, 2022 have DSUs outstanding. The Company has a total of 58,270 DSUs outstanding, with a value of \$36,679 based on the volume-weighted average price for the last five trading days of December 2021.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2021 regarding the number of Common Shares to be issued pursuant to the Existing Option Plan. On May 20, 2022, the Company approved the New Option Plan and the RSU Plan. No Options or RSUs have been issued under the New Option Plan and RSU Plan as of the date hereof. See “Particulars of Matters to be Acted Upon – 4-Incentive Stock Option Plan” and “Particulars of Matters to be Acted Upon – 5-Restricted Share Unit Plan” above for further information.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants, or rights (a)	Weighted average exercise price of outstanding options, warrants, or rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	7,397,500	\$0.45	5,691,286
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	7,397,500	\$0.45	5,691,286

The number of stock options available for future issuance is a rolling 10% calculated as 0.1 multiplied by the number of Common Shares issued and outstanding on any given date, rounded down to the nearest whole stock option.

INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No person who is or at any time since the commencement of the Company's last completed financial year was a director, executive officer or senior officer of the Company, and no associate of any of the foregoing persons has been indebted to the Company at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person, other than amounts not exceeding \$50,000 for travel advances.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company, other than as disclosed below. An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed, or otherwise acquired any of its securities, so long as it holds any of its securities.

On September 12, 2012, Hecla acquired 2,000,000 post share consolidation Common Shares at a post-consolidation price of \$1.60 per Common Share for total gross proceeds to the Company of \$3,200,000. In connection with this financing, Hecla was granted various rights by way of an Ancillary Rights Agreement, which remains in effect as long as Hecla owns more than 10% of the outstanding Common Shares of the Company. Those rights include the right to nominate a director to the Dolly Board, a right of first refusal for any transfer or sale of the Company's mineral properties, and the right to participate in future financings and private placements in order to maintain its pro-rata interest. Hecla currently holds 24,706,767 Common Shares, giving them a 10.7% interest. Hecla's nominee to the Dolly Board is James Sabala, who was previously elected at the AGM on October 7, 2016.

On February 25, 2022, the Company issued 76,504,590 Common Shares to Fury as partial consideration for the acquisition by the Company of Homestake Resource Corporation and the Homestake Project. Pursuant to the Investor Rights Agreement"), Fury has a right to nominate two persons to the Board so long as Fury owns greater than 20% of the Common Shares outstanding. Should Fury own greater than 10% of the Dolly Varden Common Shares outstanding, Fury shall have the right to appoint one nominee to the Dolly Varden board. The Investor Rights Agreement also contain certain customary re-sale restrictions, voting and standstill conditions, and participation rights as agreed between the Company and Fury. Fury currently holds 76,504,590 Common Shares, giving them a 33% interest. Fury's nominees to the Dolly Board are Forrester (Tim) Clark and Michael Henrichsen who have not yet stood for election at a Shareholder meeting of the Company.

CORPORATE GOVERNANCE

The following is a summary of the Company's corporate governance disclosure required by Form 58-101F2 of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

Dolly Board

The Dolly Board, at present, is composed of six directors, one of whom is an executive officer of the Company and five of whom are considered to be "independent," as that term is defined in applicable securities legislation. Mr. Shawn Khunkhun, President and CEO, by reason of his office, is not independent. In determining whether a director is independent, the Dolly Board chiefly considers whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management.

The Dolly Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Dolly Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Dolly Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff, and complying with applicable regulatory requirements. The Dolly Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

Directorships

Certain of the directors of the Company are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Name of Other Reporting Issuer (or Equivalent in Foreign Jurisdiction)
Shawn Khunkhun	StrikePoint Gold Inc., Gladiator Metals Corp. (formerly Cairo Resources Inc.), Goldshore Resources Inc. (formerly Sierra Madre Developments Inc.)
Darren Devine	Chakana Copper Corp., TrackX Holdings Inc., Just Kitchen Holdings Corp., Gladiator Metals Corp. (formerly Cairo Resources Inc.)
James Sabala	Thunder Mountain Gold. Inc.
Robert McLeod	Blackwolf Copper and Gold
Forrester (Tim) Clark	Fury Gold Mines Limited

Unless otherwise indicated, each of the reporting issuers is listed on the TSX-V

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Dolly Board.

Ethical Business Conduct

The Dolly Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Dolly Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Dolly Board in which the director has an interest, have been sufficient to ensure that the Dolly Board operates independently of management and in the best interests of the Company. The members of the Dolly Board sign a code of conduct acknowledgement form on joining the Dolly Board and agree to follow the Code of Conduct and Ethics policy adopted by the Dolly Board in 2015. They each confirm annually that they are in compliance with the Code of Conduct and Ethics policy.

Nomination of Directors

The Dolly Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at its annual general meeting of Shareholders, taking into account the number required to carry out the Dolly Board's duties effectively and to maintain diverse views, skills, and experience. The Company's nominating and corporate governance committee (the "**NCG Committee**") has responsibility for identifying potential Board candidates. There is no set process for identifying new candidates, but a pool of candidates may be generated using the existing network of the Dolly Board members, a search firm, or any other method that the Dolly Board may choose. All three members of the NCG Committee are independent.

Compensation

All compensation matters are dealt with by the Dolly Board, based upon recommendations by the Compensation Committee.

To determine compensation payable, the Compensation Committee reviews compensation paid to directors, CEOs and CFOs of companies of similar size and stage of development. The Compensation Committee determines appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management, while taking into account the financial and other resources of the Company. In setting the compensation, the Compensation Committee, with input from the Nominating and

Governance Committee annually reviews the performance of the CEO and CFO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

All Compensation Committee members are independent directors. The Compensation Committee is made up of the following members, all of whom have relevant experience in dealing with compensation matters:

- **Darren Devine (Chair).** Mr. Devine is the principal of CDM Capital Partners, a firm that provides corporate finance advisory services to private and public companies. Mr. Devine also acts as a director and/or officer to a number of junior public companies in the natural resource and technology sectors. In addition, he is currently an active member of the TSX-V's Local Advisory Committee. Mr. Devine is qualified as a barrister and solicitor in British Columbia and in England & Wales and prior to founding CDM Capital Partners, practiced exclusively in the areas of corporate finance and securities law.
- **James Sabala.** Prior to his retirement in May, 2016, Mr. Sabala was Senior Vice President and Chief Financial Officer of Hecla Mining Corporation, a silver, gold, lead and zinc mining company with operations throughout North America and Mexico. Mr. Sabala was appointed Chief Financial Officer in May 2008 and Senior Vice President in March 2008. Prior to his employment with Hecla Mining Company, Mr. Sabala was Executive Vice President – Chief Financial Officer of Coeur d'Alene Mines Corporation from 2003 to February 2008. Mr. Sabala also served as Vice President-Chief Financial Officer of Stillwater Mining Company from 1998 to 2002. Mr. Sabala has served as a director of Arch Coal since February, 2015. Mr. Sabala graduated from the University of Idaho with a B.S. Business, Summa Cum Laude in 1978.
- **Forrester (Tim) Clark.** Mr. Clark is CEO & Director of Fury Gold Mines Ltd. and brings 23 years of global capital markets experience with numerous US, European and Canadian banks, including Barclays Capital, National Bank Financial, Merrill Lynch, Deutsche Bank and most recently BMO Capital Markets, where he held the role of Managing Director, Institutional Equity Sales. Over the years, he provided corporate strategy, peer and financial analysis and insights for corporations within the materials, commodities and mining sectors.

The Company is a small junior resource company with limited financial resources. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives including attracting and retaining qualified executives, motivating the short and long-term performance of the executives, and aligning the interests of the executives with those of the Shareholders.

The Compensation Committee may seek independent compensation advice where appropriate from external consultants in order to assist it in assessing executive remuneration levels and aligning directors and executive remuneration packages with comparable market compensation. The Compensation Committee has not yet engaged such external advice.

In April 2022, the Company retained The Bedford Compensation Group, a human resource consulting group, to assist the Company in establishing an updated compensation program for management and board as well as defined performance measures for the year ended December 31, 2022. This work is ongoing.

ESG and Safety Committee

The Company's ESG and Safety committee supports the Company's on-going commitment to health and safety, corporate social responsibility, environmental sustainability, philanthropy, reputation, diversity, equity and inclusion, community issues and other public policy matters relevant to the Company.

Committees of the Dolly Board

The Dolly Board has appointed an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a ESG and Safety Committee, the current members of which are as follows:

Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	ESG and Safety Committee
<p>James Sabala (Chair)</p> <p>Forrester (Tim) Clark</p> <p>Darren Devine</p>	<p>Darren Devine (Chair)</p> <p>James Sabala</p> <p>Forrester (Tim) Clark</p>	<p>Darren Devine (Chair)</p> <p>James Sabala</p> <p>Robert McLeod</p>	<p>Robert McLeod (Chair)</p> <p>Shawn Khunkhun</p> <p>Michael Henrichsen</p> <p>Robert Van Egmond (Chief Geologist)</p>

A description of the function of the Audit Committee can be found in this Circular under "Audit Committee."

See Appendix C of this Circular for a full copy of the Nominating and Corporate Governance Committee Charter.

The Dolly Board also has appointed an ad hoc Technical Committee that has Michael Henrichsen as Chair, Robert McLeod, and Kurt Allen, the representative of Hecla appointed to the Technical Committee. The Technical Committee meets at least once per year, and more often as needed, to discuss the exploration program.

Assessments

The Dolly Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Dolly Board, its committees or individual directors. The relatively small size of the Company enables the Dolly Board to satisfy itself that individual directors are performing effectively. As the Company grows, the Dolly Board will consider adopting formal procedures for evaluating director and committee performance.

AUDIT COMMITTEE

As at the date of this Circular, the Audit Committee is composed of James Sabala, Forrester (Tim) Clark, and Darren Divine. Each member of the Committee is "independent" and "financially literate." Under this heading, the Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The text of the Audit Committee Charter is attached in Appendix A.

The Dolly Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Relevant Education and Experience

Member	Independent/ Not Independent ⁽¹⁾	Financially Literate/ Not Financially Literate ⁽¹⁾	Relevant Education and Experience
James Sabala (Chair)	Independent	Financially Literate	Previously served as CFO for Hecla.
Forrester (Tim) Clark	Independent	Financially Literate	Has 23 years of global capital markets experience with numerous US, European and Canadian banks.
Darren Devine	Independent	Financially Literate	Principal of CDM Capital Partners, a firm that provides corporate finance advisory services to private and public companies.

⁽¹⁾ As defined in NI 52-110.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Dolly Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has determined that it intends to continue to rely on the exemptions contained in Sections 2.4 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditor in the fiscal year in which the non-audit services were provided. The Company has not relied, and does not intend to rely, on Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Under Section 5 (b)(c) and (d) of Form 51-110F2, the Company has not relied on any of the following exemptions:

(b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*),

(c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*),

(d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*)

Pre-Approval Policies and Procedures

The Company has a procedure to bring to the Audit Committee any requests in advance of the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required if they will exceed 5% of the total fees payable to the auditor.

External Auditor Service Fees (By Category)

Audit Fees

The aggregate fees billed by the Company's external auditor for the financial year ended December 31, 2021 for audit and assurance and related services were approximately \$30,000 (2020 - \$30,366).

Audit-Related Fees

The aggregate fees billed by the Company's external auditor for the financial year ended December 31, 2021 for audit related services were Nil (2020 - Nil).

Tax Fees

The aggregate fees billed for tax compliance, tax advice, and tax planning services by the Company's external auditor for the financial year ended December 31, 2021 were Nil (2020 – Nil).

All Other Fees

The aggregate fees billed by the Company's external auditor for the financial year ended December 31, 2021 for review of unaudited interim financial statements, compilation of consolidated financial statements, and related consultation and research services were Nil (2020 - Nil).

Exemption

The Company is relying on the exemption provided in Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2 and disclosed in this Circular.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on its SEDAR profile at www.sedar.com. Shareholders may contact the Company at (604) 375-5578 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed year, which are filed on SEDAR and on the Company's website.

DATED this 23 day of May, 2022.

ON BEHALF OF THE BOARD

"Shawn Khunkhun"

CEO, President and Director

APPENDIX A AUDIT COMMITTEE CHARTER

Objectives

The Audit Committee will assist the Board of Directors in fulfilling its oversight responsibilities for:

1. the financial reporting process;
2. the system of internal control over financial reporting;
3. the audit process;
4. compliance with legal and regulatory requirements; and
5. the processes for identifying, evaluating and managing the company's principal risks impacting financial reporting.

Membership

The Board of Directors shall appoint annually from among its members an Audit Committee to hold office for the ensuing year or until their successors are elected or appointed.

The Audit Committee shall be composed of at least three directors, and not more than five directors, at least a majority of whom shall be "independent" and "financially literate" (as such terms are defined in National Instrument 52-110 – Audit Committees).

The Board of Directors may from time to time designate one of the members of the Audit Committee to be the Committee Chair and, unless otherwise determined by the Board, the Secretary of the Corporation shall be the Secretary of the Audit Committee.

Meetings and Participation

The Audit Committee shall meet at least once per quarter, or more frequently as circumstances dictate. Any member of the Audit Committee or the external auditor may call a meeting of the Audit Committee. The auditors shall be entitled to attend all meetings and be heard thereat.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The agenda will be set by the Audit Committee Chair in consultation with other members of the Audit Committee, the Board of Directors and senior management.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present. A quorum for meetings of the Audit Committee is a majority of its Members.

The Audit Committee shall keep minutes of its meetings in which shall be recorded all action taken by it, which minutes shall be approved by Audit Committee members and available as soon as possible to the Board of Directors.

Duties, Powers, and Responsibilities

The Audit Committee is hereby delegated the following duties and powers, without limiting these duties and powers, the Audit Committee shall:

(a) Financial Reporting

- Review and recommend for approval to the Board of Directors the annual Financial Statements and the annual MD&A.
- Review the Annual Report, if prepared, for consistency with the financial disclosure referenced in the annual Financial Statements.
- Be satisfied as to the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from annual or quarterly financial statements and periodically assess the adequacy of such procedures.
- Review and approve quarterly financial statements and the quarterly MD&A.
- Review significant issues affecting financial reports.
- Review emerging IFRS developments and changes to accounting policies that could affect the financial disclosures of the Corporation.
- Understand how management develops interim financial information and the nature and extent of external audit involvement.
- In review of the annual and quarterly financial statements, discuss the quality of the Corporation's accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.
- Review and approve any earnings guidance to be provided by the Corporation.

(b) Internal and Disclosure Controls

- Consider the effectiveness of the Corporation's internal controls over financial reporting and related information technology security and control.
- Review and approve corporate signing authorities and modifications thereto.
- Review with the auditors any issues or concerns related to any internal control systems in the process of the audit.
- Review the plan and scope of the annual audit with respect to planned reliance and testing of controls and major points contained in the auditor's management letter resulting from control evaluation and testing.
- Establish and maintain complaint procedures regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Such procedures are appended hereto as Appendix A.

- Review with management, external auditors and legal counsel any material litigation claims or other contingencies, including tax assessments, and adequacy of financial provisions, that could materially affect financial reporting.
- Review with the Chief Executive Officer and the Chief Financial Officer the Corporation's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.
- Discuss with the Chief Executive Officer and the Chief Financial Officer all elements of certification required pursuant to National Instrument 52-109.
- Approve all material related party transactions in advance; materiality is set at \$1 for such matters.

(c) **External Audit**

- Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Review and approve the audit plans, scope and proposed audit fees.
- Annually review the independence of the external auditors by receiving a report from the independent auditor detailing all relationships between them and the Corporation.
- Discuss with the auditors the results of the audit, any changes in accounting policies or practices and their impact on the financials, as well as any items that might significantly impact financial results.
- Receive a report from the auditors on critical accounting policies and practices to be used, all alternative treatments of financial information within IFRS that have been discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the auditor.
- Receive an annual report from the auditors describing the audit firm's internal quality-control procedures, and material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out by the firm, and any steps taken to deal with any such issues.
- Ensure regular rotation of the lead partner and reviewing partner.
- Evaluate the performance of the external auditor and the lead partner annually.
- Recommend to the Board of Directors: (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and (ii) the compensation of the external auditor.
- Separately meet with the auditors, apart from management, at least once a year.

(d) **Non-Audit Services**

- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor. Pre-approval may be granted by any one member of the Audit Committee. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - The aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - Such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - Such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

(e) **Risk Management**

- Review and monitor the processes in place to identify and manage the principal risks that could impact the financial reporting of the Corporation.
- Ensure that Directors and Officers insurance is in place.
- Review and approve corporate investment policies.
- Assess, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board of Directors.

(f) **Other Responsibilities and Matters**

- Report through its Chair to the Board of Directors following meetings of the Audit Committee.
- Review annually the adequacy of the Charter and confirm that all responsibilities have been carried out.
- Evaluate the Audit Committee's and individual member's performance on a regular basis and report annually to the Board the result of its annual self-assessment.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

- Discuss the Corporation's compliance with tax and financial reporting laws and regulation, if and when issues arise.
- Establish and maintain complaint procedures for the confidential anonymous submission of concerns regarding any questionable Corporate matters.

Authority

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Audit Committee at the cost of the Corporation without obtaining approval of the Board of Directors, based on its sole judgment and discretion. The Audit Committee has the authority to communicate directly with the internal and external auditors of the Corporation.

Appendix A

To Audit Committee Charter

Procedures for the Submission of Complaints or Concerns Regarding Accounting, Internal Accounting Controls or Auditing Matters

1. The Corporation shall forward to the Audit Committee of the Board of Directors any complaints that it has received regarding accounting, internal accounting controls, or auditing matters.
2. Any employee of the Corporation may submit, on a confidential, anonymous basis if the employee so desires, any concerns by sending such concerns in writing and forwarding them in a sealed envelope to:

Attention: Chair of the Audit Committee
Dolly Varden Silver Corporation
Suite 1130 - 1055 W Hastings Street
Vancouver, British Columbia, V6E 2E9

The envelope is to be clearly marked, "To be opened by the Audit Committee only." Any such envelopes shall be forwarded promptly to the Chair of the Audit Committee.

3. Contact information including a phone number and e-mail address shall be published for the Chair of the Audit Committee on the Corporation's website for those people wishing to contact the Chair directly.
 4. At each of its meetings following the receipt of any information pursuant to this Appendix, the Audit Committee shall review and consider any such complaints or concerns and take any action that it deems appropriate in the circumstances.
 5. The Audit Committee shall retain any such complaints or concerns along with the material gathered to support its actions for a period of no less than seven years. Such records will be held on behalf of the Audit Committee by the Audit Committee Secretary.
 6. Appendix A shall appear on the Corporation's website as part of this Charter.
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APPENDIX B

COMPENSATION COMMITTEE CHARTER

Purpose

The purpose of the Compensation Committee is to:

- a) review and approve the corporate goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those corporate goal and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on this evaluation;
- b) make recommendations to the Board with respect to non-CEO officer extraordinary bonuses, director compensation, incentive compensation plans and equity-based plans;
- c) review executive compensation disclosure before the Corporation publicly discloses this information;
- d) establish and maintain a succession plan for the CEO and CFO as well as oversee the Company's overall execution succession planning strategy; and
- e) establish policies and procedures designed to identify and mitigate risks associated with the Corporation's compensation policies and practices.

Composition and Qualification

Where possible, the Compensation Committee shall consist of a minimum of three directors. All members of the Compensation Committee shall be independent directors. For greater certainty, the CEO shall not be a member of the Compensation Committee.

Member Appointment and Removal

The Compensation Committee members are appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee after consultation with the Chairman and the Lead Independent Director (if any) and with consideration of the desires of individual Board members. Consideration will be given to rotating the Compensation Committee members periodically. The Compensation Committee Chairman is selected by the Board on the recommendation of the Nominating and Corporate Governance Committee. The Board may at any time remove a member from the Compensation Committee.

Meetings

The Compensation Committee will meet at least once annually, or more frequently as circumstances may warrant. The Compensation Committee may meet with, and receive reports from, management. A quorum for the transaction of business at all meetings of the Compensation Committee shall be a majority of members.

Notwithstanding anything contrary set forth herein, the CEO may not be present for any portion of any meeting of the Compensation Committee at which the compensation of the CEO is deliberated or voted upon.

Position Description and Responsibilities for Chairman

The Chairman of the Compensation Committee shall be an independent director appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee on

an annual basis following the election of the Directors at the Corporation's Annual General Meeting of shareholders.

The Chairman shall:

- a) work with the Chairman of the Board and the Lead Independent Director (if any), and manage the Compensation Committee, in a manner that ensures these relationships are effective and efficient and furthers the best interests of the Corporation;
- b) act as the principal sounding board and counsel for the Chairman and the Lead Independent Director (if any) with respect to compensation issues;
- c) ensure that the Chairman and if appropriate the Lead Independent Director (if any) are aware of concerns of the Compensation Committee;
- d) provide strong leadership of the Compensation Committee in reviewing and monitoring the aims, strategy, policy and directions of the Compensation Committee in order to achieve its objectives;
- e) communicate with the Board to keep it current on all major developments involving executive compensation;
- f) set the frequency of the Compensation Committee meetings and reviews such frequency as appropriate;
- g) work closely with the Chairman and the Lead Independent Director (if any) to coordinate matters to be brought forth to Board Meetings from the Compensation Committee; and
- h) chair and manage meetings of the Compensation Committee.

Mandate and Responsibilities

The Compensation Committee shall review and make recommendations to the Board concerning the following:

- a) the compensation of the CEO;
- b) extraordinary bonuses for officers other than the CEO;
- c) the compensation policy with respect to employees of the Corporation or any of its subsidiaries ensuring that the Corporation is in compliance with all legal compensation reporting requirements;
- d) management compensation programs including stock plans, incentive plans, other benefit plans and perquisites;
- e) the succession plans and process for key employees;
- f) performance appraisal and management and employee development programs;
- g) contingency plans in the event of the unexpected disability of key employees;
- h) proposed personnel changes involving officers;
- i) the adequacy and form of compensation of directors, ensuring that compensation realistically reflects the responsibilities and risks involved in being an effective director;
- j) the administration of the Corporation's Stock Option Plan; and
- k) perform any other activities consistent with this Charter and Applicable Laws as the Compensation Committee or the Board deems necessary or appropriate.

The Compensation Committee shall have the authority to delegate any of its responsibilities to subcommittees or individual members as the Compensation Committee deems appropriate.

Authority

The Compensation Committee shall have the authority:

- a) to engage independent counsel and other advisors including, without limitation, executive compensation consulting firms, that it considers necessary to carry out its duties;
- b) to set and pay the compensation for any advisors employed by the Compensation Committee for the purpose of carrying out its duties; and
- c) to set and pay the ordinary administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties.

Reporting

The Compensation Committee has a duty to report to the Board all matters that it considers to be important for Board consideration.

All minutes of the Compensation Committee should be attached to the Board minutes and forwarded to each member of the Board by the Secretary in a timely manner.

APPENDIX C

Nominating and Corporate Governance Committee Charter

1. Purpose

The purpose of the Nominating and Corporate Governance Committee is to:

- (a) develop and recommend to the Board a set of corporate governance principles applicable to the Corporation;
- (b) identify individuals qualified to become new Board members and to recommend to the Board new director nominees from time to time; and
- (c) assist the Chairman in overseeing the structure, composition and process of evaluation of the Board, its committees and individual directors.

2. Composition and Qualification

- (a) The Nominating and Corporate Governance Committee shall consist of a minimum of three directors.
- (b) All members of the Nominating and Corporate Governance Committee shall be independent directors.

3. Member Appointment and Removal

- (a) The Nominating and Corporate Governance Committee members are appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee after consultation with the Chairman and Lead Independent Director (if any) and with consideration of the desires of individual Board members.
- (b) Consideration will be given to rotating the Nominating and Corporate Governance Committee members periodically.
- (c) The Nominating and Corporate Governance Committee Chairman is selected by the Board on the recommendation of Nominating and Corporate Governance Committee.
- (d) The Board may at any time remove a member from the Nominating and Corporate Governance Committee.

4. Meetings

The Nominating and Corporate Governance Committee will meet at least once annually, or more frequently as circumstances may warrant. The Nominating and Corporate Governance Committee may meet with, and receive reports from, management.

A quorum for the transaction of business at all meetings of the Nominating and Corporate Governance Committee shall be a majority of members.

5. Position Description and Responsibilities for Chairman

The Chairman of the Nominating and Corporate Governance Committee shall be an independent director appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee on an annual basis following the election of the directors at the Corporation's Annual General Meeting of shareholders.

The Chairman shall:

- (a) work with the Chairman of the Board and the Lead Independent Director (if any), and manage the Nominating and Corporate Governance Committee, in an

effective and efficient manner which furthers the best interests of the Corporation;

- (b) act as the principal sounding board and counsel for the Chairman of the Board and the Lead Independent Director (if any) with respect to governance issues;
- (c) ensure that the Chairman of the Board and if appropriate the Lead Independent Director (if any) are aware of concerns of the Nominating and Corporate Governance Committee;
- (d) provide strong leadership of the Nominating and Corporate Governance Committee;
- (e) work closely with the Chairman of the Board and the Lead Independent Director (if any) to coordinate matters to be brought forth to Board meetings from the Nominating and Corporate Governance Committee;
- (f) communicate with the Board to keep it current on all major developments involving governance and the nomination of Directors;
- (g) set the frequency of the Nominating and Corporate Governance Committee meetings and review such frequency as appropriate; and
- (h) chair and manage meetings of the Nominating and Corporate Governance Committee.

6. Mandate and Responsibilities:

The Nominating and Corporate Governance Committee shall:

- (a) develop the Corporation's approach to corporate governance issues and ensure that:
 - (i) governance of the Corporation is implemented in compliance with the Board Mandate;
 - (ii) the Corporation's governance and the adequacy thereof is reviewed at least annually; and
 - (iii) the Corporation complies to the extent practicable with the governance guidelines set out in the Applicable Laws;
- (b) ensure that standards of ethical conduct are developed and monitored;
- (c) annually examine the size of the Board and, where appropriate, make recommendations to increase or decrease the number of directors;
- (d) annually examine the effectiveness and contribution of the Lead Independent Director (if any);
- (e) consider and recommend a desirable balance of skills and experience among Board members;
- (f) seek out and attract qualified candidates to fill Board positions;
- (g) recommend to the Board the appropriate nominees to fill vacancies on the Board or to be proposed as candidates for election as directors at the annual shareholder meeting;
- (h) ensure that new members of the Board are provided with the necessary information about the Corporation, its business and the factors which affect its performance and review and monitor the orientation of new Board members;
- (i) review and approve officers' directorships in companies other than subsidiary companies and to review directors' relationships with other outside entities with regard to potential conflicts of interest;
- (j) provide advice to the Board regarding proposed committee nominations;

- (k) recommend to the Board the appointment of the Chairman of the Board and a Lead Independent Director (if any) following the election of the directors at the annual meeting of shareholders;
- (l) ensure that the performance evaluation of the Lead Independent Director (if any) is incorporated in the Board review process, which takes place annually;
- (m) review transactions or arrangements (financial or otherwise) between the Corporation and one or more directors or officers, other than compensation decisions, and make recommendations to the Board with respect thereto; and
- (n) perform any other activities consistent with this Charter and Applicable Laws as the Nominating and Corporate Governance Committee or the Board deems necessary or appropriate.

The Nominating and Corporate Governance Committee shall have the authority to delegate any of its responsibilities to subcommittees or individual members as the Nominating and Corporate Governance Committee deems appropriate.

7. Authority

The Nominating and Corporate Governance Committee shall have the authority:

- (a) to engage independent counsel and other advisors, including without limitation any search firm to be used to identify director candidates, that it determines are necessary to permit it to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the Nominating and Corporate Governance Committee; and
- (c) to set and pay the ordinary administrative expenses of the Nominating and Corporate Governance Committee that are necessary or appropriate in carrying out its duties.

8. Reporting

- (a) The Nominating and Corporate Governance Committee has a duty to report to the Board all matters that it considers to be important for Board consideration.
- (b) All minutes of the Nominating and Corporate Governance Committee should be attached to the Board minutes and forwarded to each member of the Board by the Secretary in a timely manner.

APPENDIX D

New Option Plan
(See attached)

DOLLY VARDEN SILVER CORPORATION
(the "Company")

STOCK OPTION PLAN

May 20, 2022

1. PURPOSE

The purpose of this Stock Option Plan (the "**Option Plan**") is to provide the Company and its Subsidiaries (as defined herein) with the means to encourage, attract, retain and motivate certain Eligible Participants (as defined herein) through equity participation by granting such Eligible Participants stock options to purchase Common Shares (as defined herein), thus giving them an on-going proprietary interest in the Company. It is the intention of the Company that this Option Plan will at all times be in compliance with TSXV Policies (as defined below) and any inconsistencies between this Option Plan and TSXV Policies will be resolved in favour of the latter.

2. DEFINITIONS

Unless otherwise defined herein, the following terms have the following meanings:

- (a) "**Affiliate**" means a person that is affiliated within the meaning of Section 1(2) of the *Securities Act* (British Columbia), as amended, and includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities.
- (b) "**Black-out Period**" means an interval of time during which the Company has determined that one or more Eligible Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with the Company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject).
- (c) "**Board**" means the board of directors of the Company, and, where applicable, includes a committee of the Board authorized to administer this Option Plan pursuant to Section 3(a).
- (d) "**Cashless Exercise**" has the meaning given to such in term in TSXV Policy 4.4.
- (e) "**Committee**" has the meaning attributed thereto in Section 3(a).
- (f) "**Common Share**" means common shares of the Company.
- (g) "**Consultant**" has the meaning given to such term in TSXV Policy 4.4.
- (h) "**Director**" has the meaning given to such term in TSXV Policy 4.4.
- (i) "**Discounted Market Price**" means the Market Price less the maximum discount permitted under the TSXV Policies applicable to Options.
- (j) "**Disinterested Shareholder Approval**" has the meaning given to "disinterested Shareholder approval" in section 5.3 of TSXV Policy 4.4.
- (k) "**Eligible Participant**" means a Director, Officer, Employee, Management Company

Employee or Consultant of the Company or its Subsidiaries and, as context requires, shall include a registered retirement savings plan ("**RRSP**") or registered retirement income fund ("**RRIF**") established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant.

- (l) "**Employee**" has the meaning given to such term in TSXV Policy 4.4.
- (m) "**Exchange Hold Period**" has the meaning given to such term in TSXV Policy 1.1.
- (n) "**Insider**" has the meaning given to such term in TSXV Policy 1.1.
- (o) "**Investor Relations Activities**" has the meaning given such term in TSXV Policy 1.1 and for purpose of this Option Plan, Persons retained to perform Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee, Management Company Employee, Officer or Director whose role and duties primarily consist of Investor Relations Activities.
- (p) "**Issued Common Shares**" means that number of Common Shares issued and outstanding, on a non-diluted basis, at any point in time as confirmed by the transfer agent and registrar for the Common Shares.
- (q) "**Management Company Employee**" has the meaning given to such term in TSXV Policy 4.4.
- (r) "**Market Price**" has the meaning given to such term in TSXV Policy 1.1.
- (s) "**Officer**" has the meaning given such term in TSXV Policy 4.4.
- (t) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, this Option Plan.
- (u) "**Person**" means a company or an individual.
- (v) "**Rolling 10% Plans**" has the meaning attributed thereto in Section 4(a)(ii).
- (w) "**Security Based Compensation**" has the meaning given to such term in TSXV Policy 4.4.
- (x) "**Security Based Compensation Plan**" has the meaning given to such term in TSXV Policy 4.4, which when used to refer to such plans of the Company, includes this Option Plan.
- (y) "**Subsidiary**" has the meaning given to such term in National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), and any instrument in amendment thereto or replacement thereof.
- (z) "**TSXV**" means the TSX Venture Exchange.
- (aa) "**TSXV Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "**TSXV Policy**" means any one of them, as such policies may be amended, supplemented or replaced from time to time.
- (bb) "**TSXV Policy 1.1**" means Policy 1.1 – *Interpretation* of the TSXV Policies, as may be amended, supplemented or replaced from time to time.
- (cc) "**TSXV Policy 4.4**" means Policy 4.4 – *Security Based Compensation* of the TSXV Policies,

as may be amended, supplemented or replaced from time to time.

3. ADMINISTRATION

- (a) This Option Plan shall be administered by the Board, or any committee of the Board (each, a "**Committee**") appointed by the Board to administer this Option Plan. Without limiting the generality of the foregoing, where a Committee has been appointed by the Board to administer this Option Plan pursuant to a resolution passed by the Board, such Committee has authority to:
 - (i) grant to Eligible Participants, an RRSP or RRIF established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant up to the number of Options specified by the Board in the resolution appointing the Committee or in any other subsequent resolution(s) of the Board, the whole on the terms set out in such resolution(s);
 - (ii) exercise rights reserved to the Company under this Option Plan;
 - (iii) determine vesting terms and conditions for Options granted under this Option Plan in accordance with the terms and conditions of this Option Plan; and
 - (iv) make all other determinations and take all other actions as it considers necessary or advisable for implementation and administration of this Option Plan.
- (b) The interpretation, construction and application of this Option Plan shall be made by the Board or a Committee and shall be final and binding on all holders of Options granted under this Option Plan and all Persons eligible to participate under the provisions of this Option Plan.
- (c) No member of the Board or Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Option Plan or any Options granted under it.

4. COMMON SHARES SUBJECT TO THIS OPTION PLAN

- (a) Subject to Section 4(b):
 - (i) the maximum number of Common Shares which may be issued under Options granted under this Option Plan, from time to time, shall be equal to a maximum of 10% of the total number of Issued Common Shares calculated on the date the Option is granted or issued to such person; and
 - (ii) if the Company has any other Security Based Compensation Plan(s) that fall within the "rolling up to 10%" category under Section 3.1(a) of TSXV Policy 4.4 (collectively, the "**Rolling 10% Plans**"), the number of Common Shares that are issuable pursuant to the Option Plan and such other Rolling 10% Plans in aggregate shall be equal to up to a maximum of 10% of the total number of Issued Common Shares on the date the Option is granted or issued or the issuance date of any Security Based Compensation under any of such Rolling 10% Plans.
- (b) The following limitations apply to grants of Options under this Option Plan:
 - (i) unless the Company has obtained the requisite Disinterested Shareholder Approval;

- (A) the maximum aggregate number of Common Shares that are issuable under all Security Based Compensation Plans of the Company granted or issued in any 12-month period to any one person (and companies owned or controlled by that Person) must not exceed 5% of the total number of Issued Common Shares, calculated as at the date any Security Based Compensation is granted or issued to such person;
 - (B) the maximum aggregate number of Common Shares which may be issued under all Security Based Compensation Plans of the Company granted or issued to Insiders as a group must not exceed 10% of the Issued Common Shares at any point in time; and
 - (C) the maximum aggregate number of Common Shares that are issuable under all Security Based Compensation Plans of the Company granted or issued in any 12-month period to Insiders as a group must not exceed 10% of the Issued Common Shares, calculated on the date any Securities Based Compensation is granted to an Insider; and
- (ii) the maximum aggregate number of Common Shares that are issuable under all Security Based Compensation Plans of the Company granted or issued in a 12-month period to any one Consultant must not exceed 2% of the Issued Common Shares, calculated at the date any Securities Based Compensation is granted to the Consultant; and
 - (iii) the maximum aggregate number of Common Shares that are issuable under all Security Based Compensation Plans of the Company granted or issued in a 12-month period to all Persons retained to provide Investor Relations Activities must not exceed 2% of the Issued Common Shares, calculated at the date any Securities Based Compensation is granted to any such Person.
- (c) Common Shares in respect of which an Option is granted under this Option Plan but not exercised prior to the termination of such Option, due to the cancellation, expiration, termination or lapse of such Option or otherwise, shall be available for new grants of Options to be granted thereafter pursuant to the provisions of this Option Plan. All Common Shares issued pursuant to the exercise of the Options granted under this Option Plan shall be so issued as fully paid and non-assessable Common Shares.
 - (d) This Option Plan is an "evergreen" plan and, accordingly, any exercise of Options will, subject to the overall limit provided for at Section 4(a) above, make new grants available hereunder effectively resulting in a reloading of the number of Options available to grant hereunder.
 - (e) The Board (which for these purposes does not include a reference to a Committee) shall allot, set aside and reserve for issuance for the purpose of this Option Plan a sufficient number of Common Shares at each meeting of the Board such that the number of Common Shares issuable under Section 4 shall be properly allotted, set aside and reserved for issuance.

5. ELIGIBILITY AND GRANT OF OPTIONS

- (a) Options shall be granted only to Eligible Participants, an RRSP and RRIF established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant and provided that in each case, the Eligible Participant is an Eligible Participant at the time of the grant.

- (b) Subject to the foregoing, the Board shall have full and final authority to determine the Eligible Participants who are to be allocated and granted Options under this Option Plan and the number of Common Shares subject to each Option grant. Subject to Section 14, Options granted under this Option Plan shall be for the purchase of Common Shares only, and for no other security.
- (c) Unless limited by the terms of this Option Plan or any regulatory or stock exchange requirement, the Board shall have full and final authority to determine the terms and conditions attached to any grant of Options under this Option Plan.
- (d) The Company may only grant Options pursuant to resolutions of the Board.
- (e) The Company may not grant any Options while there is an undisclosed material change or undisclosed material fact relating to the Company.
- (f) Any Option granted under this Option Plan shall be subject to the requirement that, if at any time the Company determines that the listing, registration or qualification of the Common Shares subject to such Option, or such Option itself, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Common Shares thereunder, such Option may not be granted, accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board (which for these purposes does not include a reference to a Committee).
- (g) The Company and the Eligible Participant are responsible for ensuring and confirming that the Eligible Participant is a *bona fide* Eligible Participant.
- (h) The Board shall complete and file, in accordance with applicable law, or shall cause to be completed and filed, all notices, reports, filings or other documentation required by applicable law, regulatory requirement or stock exchange rule, in connection with a grant of Options or an issuance or purchase of Common Shares thereunder.

6. PRICE

- (a) The Option exercise price per Common Share that is subject of any Option shall be fixed by the Board when such Option is granted.
- (b) The Option exercise price per Common Share shall not be less than the Discounted Market Price. If the Company does not issue a news release to fix the exercise price pursuant to TSXV Policy 4.4, the Discounted Market Price is the last closing price before the date of the grant less the applicable discount.
- (c) Where the exercise price of an Option is at a discount to Market Price or where otherwise required under the TSXV Policies, all Options and any Common Shares issued under such Options exercised prior to the expiry of the Exchange Hold Period shall be legended with the Exchange Hold Period commencing on the date the Options were granted.
- (d) The Board shall not set the exercise price of any Option on the basis of a Market Price which does not reflect material information of which the Directors and Officers of the Company are aware but which has not been generally disclosed to the public.
- (e) The Option price per share will be expressed in Canadian dollars.

7. PERIOD OF OPTION AND RIGHTS TO EXERCISE

- (a) Subject to the provisions of Sections 7, 12 and 13, Options will be exercisable in whole or in part, and from time to time, at any time following the date of grant and prior to the expiry of their term, but provided that if an Option expires during a Black-out Period (including expiry of an Option under Sections 12(a) and 12(b) below but not including expiry of an Option if the Eligible Participant shall cease to be an Eligible Participant for cause), then the Option shall remain exercisable until the period ending up to 10 trading days after the end of such Black-out Period, notwithstanding the expiry of its term.
- (b) Options shall not be granted for a term exceeding ten years (but subject to extension in the case of Black-out Period as described in Section 7(a)).
- (c) Subject to the Board's sole discretion in modifying the vesting of Options, from time to time, Options granted shall vest, and become exercisable, upon and subject to such terms, conditions and limitations as contained herein and otherwise as the Board may from time to time determine with respect to each Option, except that Options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than twelve months and no more than 25% of such Options can vest in any three month period; provided that the vesting of such Options issued to Persons retained to provide Investor Relations Activities may not be accelerated by the Board without prior approval of the TSXV.
- (d) Subject to Section 11(b), the Common Shares to be purchased upon each exercise of an Option shall be paid for in full in cash by the Eligible Participant at the time of exercise.
- (e) Except as provided in Sections 12 and 13, no Option which is held by an Eligible Participant, an RRSP or RRIF established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant may be exercised unless the Eligible Participant is then an Eligible Participant, and in the case of an Employee, the Employee has been continually employed by the Company since the date of the grant of the Option, but provided that an authorized absence of leave shall not be considered an interruption of employment for purposes of this Option Plan.

8. EVIDENCE OF OPTIONS

Following the grant of an Option in accordance with this Option Plan, the Company shall forward to such Eligible Participant, a Notice of Grant (the "**Notice**") substantially in the form set out as Schedule "A" attached hereto, which Notice shall evidence the grant of the Option under this Option Plan. The Company shall also forward to the Eligible Participant, in addition to the Notice, a copy of this Option Plan (on the first grant of an Option) and any other documentation that may be required by applicable law, stock exchange or regulatory requirements.

9. NON-TRANSFERABILITY OF OPTION

Subject to applicable law, no Option granted under this Option Plan shall be assignable or transferable otherwise than:

- (a) by will or by the laws of descent and distribution, and such Option shall be exercisable, during an Eligible Participant's lifetime, only by the Eligible Participant (subject to Section 12(a));
- (b) to an Eligible Participant's RRSP or RRIF, provided that the Eligible Participant is, during the Eligible Participant's lifetime, the sole beneficiary of the RRSP or RRIF; or

- (c) a company that is wholly owned by an individual Eligible Participant provided that such company has complied with the requirements of section 2(c) of TSXV Policy 4.4.

10. NO ASSURANCE OF FUTURE OPTIONS

For greater certainty and without limiting the discretion conferred on the Board, the Board's decision to approve the grant of an Option in any year or at any time shall not require the Board to approve the grant of an Option to any Eligible Participant in any other year or at any other time; nor shall the Board's decision with respect to the size or terms and conditions of an Option grant in any year or at any time require it to approve the grant of an Option of the same size or with the same exercise price, vesting or other terms and conditions to any Eligible Participant in any other year or at any other time. No Eligible Participant has any claim or right, legal or equitable, to receive an Option grant from the Company.

11. EXERCISE OF OPTION

- (a) Subject to Section 11(b), an Option may be exercised from time to time by delivering to the Company at its head or registered office, a written notice of exercise substantially in the form set out as Appendix I to the Notice, specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment for the full amount of the purchase price of the Common Shares then being purchased.
- (b) The holder an Option may exercise such Option on a Cashless Exercise basis in accordance with TSXV Policy 4.4, provided that the Company has entered into an agreement with a brokerage firm to facilitate such Cashless Exercise.
- (c) Upon receipt of a certificate of an authorized Officer directing the issue of Common Shares purchased under this Option Plan, the transfer agent of the Company is authorized and directed to issue and countersign share certificates for the purchased Common Shares in the name of the Eligible Participant or the Eligible Participant's legal personal representative or as may otherwise be directed in writing by the Eligible Participant, including into a book-entry system, if requested.
- (d) Notwithstanding Section 5(f), the Company shall not, upon the exercise of any Option, be required to register, issue or deliver any Common Shares prior to: (a) the listing of such Common Shares on any stock exchange on which the Common Shares may then be listed; and (b) the completion of such registration or other qualification of such Common Shares under any law, rules or regulation as the Company shall determine to be necessary or advisable (including, without limitation, NI 45-106). If any Common Shares cannot be registered, issued or delivered to any Eligible Participant for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any Option exercise price paid to the Company shall be returned to the Eligible Participant without deduction or interest.
- (e) If the Company or a Subsidiary or Affiliate is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of any Option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Common Shares on exercise of Options, then the Eligible Participant shall:
 - (i) pay to the Company or the Subsidiary or Affiliate, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Company to be the amount necessary to permit the required tax remittance;
 - (ii) permit the Company or the Subsidiary or Affiliate to sell or cause to be sold by a broker or agent engaged by the Company, on behalf of the Eligible Participant,

such number of Common Shares issuable to the Eligible Participant on the exercise of such Options as is sufficient to fund the Company's or the Subsidiary or Affiliate's obligations to make source deductions; or

- (iii) make other arrangements acceptable to the Company to fund the required tax remittance.
- (f) The sale of Common Shares by the Company, or by a broker or agent engaged by the Company or a Subsidiary or Affiliate in accordance with Section 11(e)(ii), will be made on the exchange on which the Common Shares are then listed for trading. The Eligible Participant consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Common Shares on his or her behalf and acknowledges and agrees that:
 - (i) the number of Common Shares sold shall, at a minimum, be sufficient to fund the Company or the Subsidiary or Affiliate's obligations to make source deductions, net of any selling costs, which costs are the responsibility of the Eligible Participant and which the Eligible Participant hereby authorizes to be deducted from the proceeds of such sale;
 - (ii) in effecting the sale of any such Common Shares, the Company or the Subsidiary or Affiliate or the broker or agent will exercise its sole judgement as to the timing and the manner of sale and will not be obligated to seek or obtain any minimum price;
 - (iii) neither the Company nor the Subsidiary or Affiliate, nor the broker or agent will be liable for any loss arising out of any sale of such Common Shares, including any loss relating to the pricing, manner of timing of such sales or any delay in transferring any Common Shares to an Eligible Participant or otherwise; and
 - (iv) the sale price of Common Shares will fluctuate with the market price of the Common Shares and no assurance can be given that any particular price will be received upon any sale.
- (g) It is the responsibility of the Eligible Participant to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of benefits derived from the exercise of Options.
- (h) In the event any taxation authority should reassess the Company or a Subsidiary or Affiliate for failure to have withheld income tax, or other similar payments from the Eligible Participant, pursuant to the provisions herein, the Eligible Participant shall reimburse and save harmless the Company, the Subsidiary or Affiliate for the entire amount assessed, including penalties, interest and other charges.

12. CESSATION OF PROVISION OF SERVICES

- (a) **Death of an Eligible Participant.** In the event of the death of an Eligible Participant during the term of the Eligible Participant's Option, the Option theretofore granted to the Eligible Participant shall be exercisable within, but only within, the period of one year following the Eligible Participant's death, and in no event after the expiry date of the Option. Before expiry of an Option under this Section 12(a).
- (b) **Termination of Employment or Office.** Subject to the discretion of the Board to determine otherwise (which for these purposes does not include a reference to a Committee) or as otherwise agreed in any contract with any Eligible Participant which has been approved by the Board, and this Section 12, if any Eligible Participant shall cease to be an Eligible

Participant of, or to, the Company or its Subsidiary, for any reason, other than for cause or death, he or she may exercise any Option issued under this Option Plan that is then exercisable, but only within the period that is 90 days from the date that he or she ceases to be an Eligible Participant; provided that, in any case where the Board determines otherwise or as otherwise agreed in any contract with any Eligible Participant which has been approved by the Board, the exercise period of an Option held by a Person who ceases to be an Eligible Participant shall not be longer than 12 months following the date such Person ceased to be an Eligible Participant. In the event that an Eligible Participant ceases to be an Eligible Participant because of termination for cause or material violation of any agreement, the Options of the Eligible Participant not exercised at such time shall immediately be cancelled on the date of such termination and be of no further force or effect whatsoever notwithstanding anything to the contrary in this Option Plan. For the avoidance of doubt, if an Eligible Participant's position with the Company or any Subsidiary changes from one of the said categories to another category or between the Company and any Subsidiary, such change shall not constitute termination, resignation or retirement for the purpose of this Option Plan.

- (c) **Other.** If any Eligible Participant shall cease to be an Eligible Participant for any reason other than provided for in this Section 12, the Options of the Eligible Participant not exercised at such time shall immediately be cancelled and be of no further force or effect whatsoever, unless otherwise determined by the Board.

13. EXTENSION OF OPTION

In addition to the provisions of Section 12, the Board (which for these purposes does not include a reference to a Committee) may extend the period of time within which an Option held by a deceased Eligible Participant may be exercised but such an extension shall not be granted beyond the original expiry date of the Option. Any extensions of Options granted under this Option Plan are subject to any applicable regulatory or stock exchange approvals required at such time.

14. ADJUSTMENTS IN SHARES SUBJECT TO THE OPTION PLAN

For the purposes of this Section 14, any reference to the Board does not include a reference to a Committee.

- (a) **Adjustment.** Subject to this Section 14, the aggregate number and kind of shares or other securities available or issuable under this Option Plan shall be appropriately and equitably adjusted in the event of an arrangement, reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares or other securities of the Company.
- (b) **Effect of Take-Over Bid.** If a *bona fide* offer (the "**Offer**") for Common Shares is made to an Eligible Participant or to shareholders generally or to a class of shareholders which includes an Eligible Participant, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Company within the meaning of the *Securities Act* (British Columbia), then the Company shall, if instructed by the Board in its sole discretion, notify each Eligible Participant of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting terms, conditions or schedule so that despite the other terms of this Option Plan (except, without the prior approval of the TSXV, the vesting terms of Options granted to Persons retained to perform Investor Relation Activities), any Options granted under this Option Plan may be exercised in whole or in part by Eligible Participants so as to permit Eligible Participants to tender the Common Shares received upon the exercise of Options (the "**Optioned Shares**") pursuant to the Offer. If:
 - (i) the Offer is not complied with within the time specified therein;

- (ii) the Eligible Participant does not tender the Optioned Shares pursuant to the Offer;
or
- (iii) all of the Optioned Shares tendered by the Eligible Participant pursuant to the Offer are not taken up and paid for by the offeror in respect thereof,

then, at the discretion of the Board, the Optioned Shares or, in the case of Section 14(b)(ii), the Optioned Shares that are not taken up and paid for, shall be returned by the Eligible Participant and reinstated as authorized but unissued Common Shares and the terms of the Option as set forth in this Option Plan and the Notice shall again apply to the Option. If any Optioned Shares are returned to the Company under this Section 14, the Company shall refund the exercise price to the Eligible Participant for such Optioned Shares.

- (c) **Effect of Reorganization, Amalgamation, Merger, etc.** If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all or substantially all of the assets of the Company to another entity, at the discretion of the Board, upon the exercise of an Option under this Option Plan, the holder thereof shall be entitled to receive any securities, property or cash which the Eligible Participant would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Eligible Participant had exercised his Option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted as applicable by the Board, unless the Board otherwise determines the basis upon which such Option shall be exercisable, and any such adjustments shall be binding for all purposes of this Option Plan. Notwithstanding any other term of this Option Plan, the Board has the sole discretion to amend, abridge or eliminate any vesting terms (except, without the prior approval of the TSXV, the vesting terms of Options granted to Persons retained to perform Investor Relation Activities), conditions or schedule or to otherwise amend the conditions of exercise so that any such Option may be exercised in whole or in part, conditionally or otherwise, by the Eligible Participant so as to entitle the Eligible Participant to receive any securities, property or cash which the Eligible Participant would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Eligible Participant had exercised his, her or its Option immediately prior to the applicable record date or event and, if determined appropriate by the Board, any such Option not exercised or surrendered at the effective time or record date (as applicable) of such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer will be deemed to have expired.
- (d) **TSXV Approval.** Notwithstanding any other provision of this Option Plan, any adjustment to an Option granted or issued under this Option Plan, except in relation to a consolidation or stock split, is subject to the prior approval of the TSXV.

15. AMENDMENT AND TERMINATION OF THIS OPTION PLAN

- (a) Subject to Section 15(b), the Board (which for these purposes does not include a reference to a Committee) may at any time, and from time to time, and without shareholder approval, amend any provision of this Option Plan, that is an amendment to fix typographical errors or amendments to clarify the existing provisions of this Option Plan that do not substantively alter the scope, nature and intent of the provisions, or terminate this Option Plan. Any other amendment shall require the approval of the TSXV, except as provided in Section 15(c).
- (b) Notwithstanding Section 15(a) and any TSXV approval to an amendment, the Board (nor the Committee) shall not be permitted to amend:

- (i) Section 4(a) in order to change the percentage of Common Shares issuable under this Option Plan;
- (ii) the limitations in Section 4(b);
- (iii) Section 6 in any manner;
- (iv) the method for determining the exercise price of Options;
- (v) the definition of "Eligible Participant" or the Persons eligible to participate in this Option Plan;
- (vi) the exercise price of any Option issued under this Option Plan to an Insider where such amendment has the effect of reducing the exercise price of such Option;
- (vii) the expiry date of any Option issued under this Option Plan to an Insider where such amendment would cause an extension to the original expiry date; or
- (viii) the expiry and termination provisions herein,

in each case without first having obtained Disinterested Shareholder Approval.

- (c) The Company may amend the terms of an Option without the acceptance of the TSXV in the following circumstances, but provided the Company issues a news release outlining the terms of the amendment:
 - (i) to reduce the number of Common Shares under Option;
 - (ii) to increase the exercise price of an Option; or
 - (iii) to cancel an Option.
- (d) Any amendment or termination shall not alter the terms or conditions of any Option or impair any right of any holder of Options pursuant to any Option granted prior to such amendment or termination.
- (e) Notwithstanding the foregoing, this Option Plan will automatically terminate when, and if, any of the authorizations required to authorize this Option Plan shall cease.

16. RIGHTS PRIOR TO EXERCISE

An Eligible Participant shall have no rights whatsoever as a shareholder in respect of any Common Shares, including any right to receive dividends or other distributions therefrom or thereon, other than in respect of Common Shares in respect of which the Eligible Participant shall have exercised the Option to purchase hereunder and which the Eligible Participant shall have actually taken up and paid for in full. For greater certainty, a holder of an Option under this Option Plan shall not be permitted to vote on any arrangement of the Company proposed to the holders of the Common Shares.

17. NO CONTINUED SERVICE

Nothing contained in this Option Plan or the grant of an Option shall confer upon any Eligible Participant any right with respect to employment or continuance of employment, consultancy agreement, or service of any nature with the Company or any Subsidiary or Affiliate of the Company, or interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the Eligible Participant's employment or consultancy agreement at any time. Participation in this Option Plan by an Eligible Participant is entirely

voluntary and Eligible Participant may decline the grant of an Option at any time and/or voluntarily agree to the termination of an Option previously granted at any time.

18. EFFECTIVE DATE

The Option Plan shall be established effective on the date that this Option Plan has been adopted by the Board (the "**Effective Date**") provided, however, that while Options may be granted prior to the necessary regulatory, stock exchange and shareholder approvals, no Options shall be exercised in accordance with this Option Plan prior to it having received the necessary regulatory, stock exchange and shareholder approvals. If any Common Shares cannot be issued upon exercise for any reason, including, without limitation, the failure to obtain such approvals, then the obligation of the Company to issue such Common Shares shall terminate and any Option price paid by the holder of such Option to the Company shall be immediately refunded by the Company.

19. NO REPRESENTATION OR WARRANTY

The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Option Plan.

20. EXPIRY OF OPTION

On the expiry date of any Option granted under this Option Plan, and subject to any extension of such expiry date permitted in accordance with this Option Plan, such Option shall forthwith expire and terminate and be of no further force or effect whatsoever, or as to the Common Shares in respect of which the Option has not been exercised.

21. SUPREMACY

To the extent there is any inconsistency between this Option Plan and TSXV Policies, the TSXV Policies shall prevail.

22. NOTICE

Any notice required to be given by this Option Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by electronic transmission such as email addressed, if to the Company, to the head office of the Company, Attention: Corporate Secretary; or if to an Eligible Participant, to such Eligible Participant at his or her address as it appears on the books of the Company or in the event of the address of any such Eligible Participant not so appearing, then to the last known address of such Eligible Participant; or if to any other person, to the last known address of such person.

23. NO FRACTIONAL SHARES

No fractional Common Shares will be issued upon the exercise of an Option. If, as a result of a consolidation, subdivision, conversion, exchange or reclassification of Common Shares, the holder of an Option would become entitled to a fractional Common Share, such person will have the right to purchase only the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

24. TIME OF ESSENCE

Time is of the essence of this Option Plan and of each Notice. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

25. GOVERNING LAW

This Option Plan shall be construed in accordance with and be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

26. APPROVAL

- (a) Unless TSXV Policies otherwise provide, this Option Plan must receive the approval of shareholders at the annual general meeting of the Company for that year.
- (b) Where any shareholder approval required in this Option Plan is required to be Disinterested Shareholder Approval, such approval must be determined and calculated as required by TSXV Policies.
- (c) This Option Plan was:
 - (i) initially approved by the Board on May 20, 2022; and
 - (ii) initially approved by shareholders on **[June 22, 2022]**.

SCHEDULE "A"
FORM OF NOTICE OF GRANT

DOLLY VARDEN SILVER CORPORATION
NOTICE OF GRANT

This Notice of Grant (this "**Notice**") is granted by Dolly Varden Silver Corporation (the "**Company**") in favour of the Eligible Participant named below (the "**Optionee**") pursuant to and on the terms and subject to the conditions of the Company's Stock Option Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this Notice shall have the meanings set forth in the Option Plan.

The terms of the option (the "**Option**"), in addition to those terms set forth in the Option Plan, are as follows:

1. **Optionee.** The Optionee is [•].
2. **Number of Common Shares.** The Optionee may purchase up to [•] Common Shares (the "**Option Shares**") pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in section 6 of this Notice.
3. **Exercise Price.** The exercise price is CAD\$[•] per Option Share (the "**Exercise Price**").
4. **Date Option Granted.** The Option was granted on [•].
5. **Expiry Date.** The Option terminates on [•]. (the "**Expiry Date**").
6. **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows:
 - a. [•]
7. **Exercise of Options.** In order to exercise the Option, the Optionee shall notify the Company in the form annexed hereto as Appendix I, pay the Exercise Price to the Company as required by the Option Plan, whereupon the Optionee shall be entitled to receive a certificate representing the relevant number of fully paid and non-assessable Common Shares.
8. **Transfer of Option.** The Option is not-transferable or assignable except in accordance with the Option Plan.
9. **Inconsistency.** This Notice is subject to the terms and conditions of the Option Plan and in the event of any inconsistency or contradiction between the terms of this Notice, the Option Plan and any other agreement the Optionee has with the Company, the terms of the Option Plan shall govern.
10. **Severability.** Wherever possible, each provision of this Notice shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Notice is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Notice shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
11. **Entire Agreement.** This Notice and the Option Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

12. **Successors and Assigns**. This Notice shall bind and enure to the benefit of the Optionee and the Company and their respective successors and permitted assigns.
13. **Time of the Essence**. Time shall be of the essence of this Agreement and of every part hereof.
14. **Governing Law**. This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
15. **Counterparts**. This Notice may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Notice, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Option Plan and agrees to the terms and conditions of the Option Plan and this Notice.

IN WITNESS WHEREOF the parties hereof have executed this Notice as of the _____ day of _____, 20__.

DOLLY VARDEN SILVER CORPORATION

By: _____
Authorized Signing Officer

[Insert Eligible Participant's Name]

APPENDIX I

**DOLLY VARDEN SILVER CORPORATION
ELECTION TO EXERCISE STOCK OPTIONS**

TO: DOLLY VARDEN SILVER CORPORATION (the "Company")

The undersigned hereby elects to exercise Options granted by the Company to the undersigned pursuant to a Notice of Grant dated _____, 20__ under the Company's Stock Option Plan (the "**Plan**"), for the number of Common Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Option Plan.

Number of Common Shares to be acquired: _____

Exercise Price (per Common Share):

CAD\$ _____

Aggregate Purchase Price:

CAD\$ _____

Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Company for details of such amount):

CAD\$ _____

Or check here if alternative arrangements have been made with the Company (i.e., Cashless Exercise).

and hereby tenders a bank draft, certified cheque, wire transfer or other form of payment confirmed as acceptable by the Company for such aggregate purchase price, and, if applicable, all source deductions, and directs such Common Shares to be registered as follows:

(Name)

(Address)

I/We hereby agree to file or cause the Company to file on my/our behalf, on a timely basis, all insider reports and other reports that I/we may be required to file under applicable securities laws. I/We understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, 20____.

Signature of Eligible Participant

Name of Eligible Participant (Please Print)

APPENDIX E

RSU Plan
(See attached)

DOLLY VARDEN SILVER CORPORATION
(the "Company")

RESTRICTED SHARE UNIT PLAN

May 20, 2022

1. PURPOSE

The purpose of this Restricted Share Unit Plan (the "**RSU Plan**") is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by the employees, consultants and directors of the Company and its Affiliates who, in the judgment of the Board, will be largely responsible for the Company's future growth and success. It is the intention of the Company that this RSU Plan will at all times be in compliance with TSXV Policies (as defined below) and any inconsistencies between this RSU Plan and TSXV Policies will be resolved in favour of the latter.

2. DEFINITIONS

Unless otherwise defined herein, the following terms have the following meanings:

- (a) "**Affiliate**" means a person that is affiliated within the meaning of Section 1(2) of the *Securities Act* (British Columbia), as amended, and includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities.
- (b) "**Award Grant Agreement**" means an agreement evidencing a Unit Award substantially in the form attached as Schedule A.
- (c) "**Awardee**" means an Eligible Participant that, at the relevant time, holds a Unit Award.
- (d) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Eligible Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with the Company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject).
- (e) "**Board**" means the board of directors of the Company, and, where applicable, includes a committee of the Board authorized to administer this RSU Plan pursuant to Section 3(a).
- (f) "**Business Day**" means a day that is not a Saturday, Sunday or statutory holiday and a day on which banks are open in Vancouver, British Columbia, Canada.
- (g) "**Committee**" has the meaning attributed thereto in Section 3(a).
- (h) "**Common Shares**" means common shares of the Company.
- (i) "**Company**" means Dolly Varden Silver Corporation, a company established under the laws of British Columbia.
- (j) "**Consultants**" has the meaning given to such term in TSXV Policy 4.4.

- (k) "**Disinterested Shareholder Approval**" has the meaning given to "disinterested Shareholder approval" in section 5.3 of TSXV Policy 4.4.
- (l) "**Directors**" has the meaning given to such term in TSXV Policy 4.4.
- (m) "**Eligible Participant**" means, in respect of this RSU Plan, a Director, Officers, Employees, Management Company Employee, or Consultants of the Company or its Subsidiaries who participate in this RSU Plan voluntarily and, as context requires, shall include a registered retirement savings plan ("**RRSP**") or registered retirement income fund ("**RRIF**") established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant.
- (n) "**Employees**" has the meaning given to such term in TSXV Policy 4.4.
- (o) "**Expiry Date**" has the meaning attributed thereto in Section 11(c).
- (p) "**Insider**" has the meaning given to such term in TSXV Policy 1.1.
- (q) "**Investor Relations Activities**" has the meaning given such term in TSXV Policy 1.1 and for purpose of this RSU Plan, Persons retained to perform Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee, Management Company Employee, Officer or Director whose role and duties primarily consist of Investor Relations Activities.
- (r) "**Issued Common Shares**" means that number of Common Shares issued and outstanding, on a non-diluted basis, at any point in time as confirmed by the transfer agent and registrar for the Common Shares.
- (s) "**Management Company Employee**" has the meaning given to such term in TSXV Policy 4.4.
- (t) "**Market Price**" has the meaning given to such term in TSXV Policy 1.1.
- (u) "**Officers**" has the meaning given such term in TSXV Policy 4.4.
- (v) "**Performance Conditions**" means conditions, if any, imposed on a Unit Award which are required to be satisfied or discharged during the Performance Period in order that a Unit Award shall vest.
- (w) "**Performance Period**" means the period of time during which Performance Conditions must be satisfied or discharged following which the Unit Award shall terminate unvested.
- (x) "**Restricted Share Units**" or "**RSU**" means the right of an Awardee to receive one (1) Common Share or a cash payment equal to the equivalent for one (1) Common Share, following the Vesting Period of a Unit Award and satisfaction of any required Performance Conditions in the Performance Period, subject to the terms and provisions set forth in this RSU Plan and the applicable Award Grant Agreement.
- (y) "**Rolling 10% Plans**" has the meaning attributed thereto in Section 4(a)(ii).
- (z) "**RSU Plan**" means this Restricted Share Unit Plan, as amended from time to time.
- (aa) "**Security Based Compensation**" has the meaning given to such term in TSXV Policy 4.4.

- (bb) "**Security Based Compensation Plan**" has the meaning given to such term in TSXV Policy 4.4.
- (cc) "**Settlement Date**" has the meaning attributed thereto in Section 11(c).
- (dd) "**Settlement Election**" has the meaning attributed thereto in Section 11(c).
- (ee) "**Settlement Notice**" has the meaning attributed thereto in Section 11(c).
- (ff) "**Subsidiary**" has the meaning given to such term in National Instrument 45-106 – *Prospectus Exemptions*, and any instrument in amendment thereto or replacement thereof.
- (gg) "**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time.
- (hh) "**TSXV**" means the TSX Venture Exchange.
- (ii) "**TSXV Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "**TSXV Policy**" means any one of them, as such policies may be amended, supplemented or replaced from time to time.
- (jj) "**TSXV Policy 1.1**" means Policy 1.1 – *Interpretation* of the TSXV Policies, as may be amended, supplemented or replaced from time to time.
- (kk) "**TSXV Policy 4.4**" means Policy 4.4 – *Security Based Compensation* of the TSXV Policies, as may be amended, supplemented or replaced from time to time.
- (ll) "**Unit Award**" means an award of a Restricted Share Unit(s) under this RSU Plan.
- (mm) "**Vesting Date**" has the meaning attributed thereto in Section 11(a).
- (nn) "**Vesting Period**" means the period of time which must pass before which a Unit Award entitles the Awardee to the settlement of such Restricted Share Units.

3. ADMINISTRATION BY THE BOARD

- (a) This RSU Plan shall be administered by the Board, or a committee of the Board (each, a "**Committee**") appointed by the Board to administer this RSU Plan. Without limiting the generality of the foregoing, where a Committee has been appointed by the Board to administer this RSU Plan pursuant to a resolution passed by the Board, such Committee has authority to:
 - (i) grant to Eligible Participants, an RRSP or RRIF established and controlled by an Eligible Participant or a company that is wholly-owned by an individual Eligible Participant up to the number of Unit Awards specified by the Board in the resolution appointing the Committee or in any other subsequent resolution(s) of the Board, the whole on the terms set out in such resolution(s);
 - (ii) exercise rights reserved to Dolly Varden under this RSU Plan;
 - (iii) to determine the terms, including the Performance Conditions and Performance Period, and Vesting Period, if any, upon such grants; and
 - (iv) make all other determinations and take all other actions as it considers necessary or advisable for implementation and administration of this RSU Plan.

- (b) The interpretation, construction and application of this RSU Plan shall be made by the Board or a Committee and shall be final and binding on all holders of Unit Awards granted under this RSU Plan and all Persons eligible to participate under the provisions of this RSU Plan.
- (c) No member of the Board or Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this RSU Plan or any Unit Award granted under it.

4. COMMON SHARES SUBJECT TO THIS RSU PLAN

- (a) Subject to Section 4(b):
 - (i) the maximum number of Common Shares which may be issued under Unit Awards granted under this RSU Plan, from time to time, shall be equal to 10% of the total number of Issued Common Shares calculated on the date the Unit Award is granted or issued to such person; and
 - (ii) if the Company has any other Security Based Compensation Plan(s) that fall within the "rolling up to 10%" category under Section 3.1(a) of TSXV Policy 4.4 (collectively, the "**Rolling 10% Plans**"), the number of Common Shares that are issuable pursuant to the RSU Plan and such other Rolling 10% Plans in aggregate shall be equal to up to a maximum of 10% of the total number of Issued Common Shares on the date the Unit Award is granted or issued or the date of issuance date of any Security Based Compensation under any of such Rolling 10% Plans.
- (b) The following limits apply to the operation of this RSU Plan:
 - (i) unless the Company has obtained the requisite Disinterested Shareholder Approval,
 - A. the maximum aggregate number of Common Shares that are issuable under all Security Based Compensation Plans of the Company granted or issued in any 12-month period to any one person (and companies owned or controlled by that Person) must not exceed 5% of the total number of Issued Common Shares, calculated as at the date any Security Based Compensation is granted or issued to such person;
 - B. the maximum aggregate number of Common Shares which may be issued under all Security Based Compensation Plans of the Company granted or issued to Insiders as a group must not exceed 10% of the Issued Common Shares at any point in time; and
 - C. the maximum aggregate number of Common Shares that are issuable under all Security Based Compensation Plans of the Company granted or issued in any 12-month period to Insiders as a group must not exceed 10% of the Issued Common Shares, calculated on the date any Securities Based Compensation is granted to an Insider; and
 - (ii) the maximum aggregate number of Common Shares that are issuable under all Security Based Compensation Plans of the Company granted or issued in a 12-month period to any one Consultant must not exceed 2% of the Issued Common Shares, calculated at the date any Securities Based Compensation is granted to the Consultant;

- (iii) Unit Awards may not be granted under this RSU Plan to persons retained to provide Investor Relations Activities.
- (c) This RSU Plan is an "evergreen" plan and, accordingly, the settlement of any Unit Awards will, subject to the overall limit provided for at Section 4(a) above, make new grants available hereunder effectively resulting in a reloading of the number of Unit Awards available to grant hereunder. In addition, Unit Awards that have been cancelled or terminated prior to Vesting, may continue to be issuable under this RSU Plan as new grants of Unit Awards made in compliance with this RSU Plan.
- (d) The Board (which for these purposes does not include a reference to a Committee) shall allot, set aside and reserve for issuance for the purpose of this RSU Plan a sufficient number of Common Shares at each meeting of the Board such that the number of Common Shares issuable under Section 4(a) shall be properly allotted, set aside and reserved for issuance.

5. ELIGIBLY AND GRANT OF UNIT AWARDS

- (a) Unit Awards may only be granted to Eligible Participants, an RRSP or RRIF established and controlled by an Eligible Participant or a company that is wholly owned by an individual Eligible Participant and provided that the participation is voluntary. An Eligible Participant will not be entitled to receive a grant of a Unit Award after the date that the Eligible Participant ceases to be a Director, an Officer, an Employee, a Management Company Employee or a Consultant in each case for any reason.
- (b) Subject to the foregoing, the Board shall have full and final authority to determine the Eligible Participants who are to be allocated and granted Unit Awards under this RSU Plan and the number of Common Shares subject to each Unit Award grant. Subject to Section 15(c), Unit Awards granted under this RSU Plan shall be for Common Shares only, and for no other security.
- (c) Unless limited by the terms of this RSU Plan or any regulatory or stock exchange requirement, the Board shall have full and final authority to determine the terms and conditions attached to any grant of Unit Awards under this RSU Plan. Each grant of a Unit Award shall specify the Performance Period and the Performance Conditions (if any) attached to it, and the Vesting Period applicable to the Unit Award.
- (d) The date that a Unit Award is granted shall be the date such grant was approved by the Board.
- (e) Each Unit Award granted shall entitle the Eligible Participant to receive one (1) Restricted Share Unit.
- (f) The Company may only grant Unit Awards pursuant to resolutions of the Board.
- (g) The Company may not grant any Unit Awards while there is an undisclosed material change or undisclosed material fact relating to the Company.
- (h) Any Unit Award granted under this RSU Plan shall be subject to the requirement that, if at any time the Company determines that the listing, registration or qualification of the Common Shares subject to such Unit Award, or such Unit Award itself, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Unit Award or the issuance or purchase of Common Shares thereunder, such Unit Award may not be granted, accepted

or vest in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board (which for these purposes does not include a reference to a Committee).

- (i) The Company and the Eligible Participant are responsible for ensuring and confirming that each Eligible Participant to whom Unit Awards are to be granted is a *bona fide* Director, Officer, Employee, Management Company Employee or Consultant (as the case may be).
- (j) The Company shall complete and file, in accordance with applicable law, or shall cause to be completed and filed, all notices, reports, filings or other documentation required by applicable law, regulatory requirement or stock exchange rule, in connection with a grant of Unit Awards or an issuance or purchase of Common Shares thereunder.

6. VESTING PERIOD

Each Unit Award will vest on such terms as shall be specified by the Board at the time of granting a Unit Award and such Vesting Period shall be reflected in the Award Grant Agreement. Except as otherwise provided in this plan, no Unit Award may vest before the date that is one year following the date it is granted or issued.

7. PERFORMANCE PERIOD AND PERFORMANCE CONDITIONS

A grant of a Unit Award may, but is not required to, have Performance Conditions attached to it, which conditions may be attached to the Unit Award by the Board.

8. GRANT AGREEMENTS

Each Unit Award grant to an Eligible Participant shall be evidenced by an Award Grant Agreement with terms and conditions consistent with this RSU Plan and as approved by the Board (which terms and conditions need not be the same in each case and may be changed from time to time, subject to this RSU Plan, and the approval of any changes by the TSXV or such other exchange or exchanges on which the Common Shares are then traded).

9. NON-TRANSFERABILITY

Any Unit Awards or Restricted Share Units accruing to any Eligible Participant in accordance with the terms and conditions of this RSU Plan shall not be transferable except

- (a) by will or by the laws of descent and distribution provided that during the lifetime of an Eligible Participant all benefits and rights granted under this RSU Plan may only be exercised by the Eligible Participant;
- (b) to an Eligible Participant's RRSP or RRIF, provided that the Eligible Participant is, during the Eligible Participant's lifetime, the sole beneficiary of the RRSP or RRIF; or
- (c) a company that is wholly owned by an individual Eligible Participant provided that such company has complied with the requirements of section 2(c) of TSXV Policy 4.4.

10. NO ASSURANCE OF FUTURE UNIT AWARDS

For greater certainty and without limiting the discretion conferred on the Board, the Board's decision to approve the grant of a Unit Award in any year or at any time shall not require the Board to approve the grant of a Unit Award to any Eligible Participant in any other year or at any other time; nor shall the Board's decision with respect to the size or terms and conditions of a Unit Award in any year or at any time require it to approve the grant of a Unit Award of the same size or with the same Performance Period, Performance

Conditions or other terms and conditions to any Eligible Participant in any other year or at any other time. No Eligible Participant has any claim or right, legal or equitable, to receive a Unit Award grant from the Company.

11. VESTING AND SETTLEMENT OF UNIT AWARDS

- (a) Unit Awards shall vest on the last day of a Vesting Period but provided that any Performance Conditions have been satisfied during Performance Period (such date being the "**Vesting Date**"). Once vested, and subject to Section 23, Unit Awards shall be settled by the Company by a payment to the Eligible Participant in cash or in Common Shares in accordance with Section 11(c) and Section 11(d). Following receipt of payment, the Restricted Share Units so settled shall be of no value whatsoever and shall be struck from the Eligible Participant's notional account.
- (b) Any Common Shares issued under this RSU Plan shall be considered as fully paid in consideration of past services rendered that are not less in value than the fair equivalent of money that the Company would have received if the Common Shares were issued for money.
- (c) In order to settle an RSU, the Eligible Participant shall deliver an election notice ("**Settlement Election**") to the Company substantially in the form of Schedule B (the "**Settlement Notice**"), within thirty (30) days following the Vesting Date and specifying a date for settlement (the "**Settlement Date**") which must be at least five (5) days following delivery of the Settlement Notice but not more than ninety (90) days after the Vesting Date (the "**Expiry Date**") provided, however, that if the Settlement Date of an RSU occurs during a Blackout Period or when the Eligible Participant is otherwise prohibited from settling such RSU, then the Settlement Date shall be automatically extended to the ten (10th) Business Day following the end of such Blackout Period or lifting, termination or removal of such prohibition; and
- (d) On the Settlement Date, RSUs will be settled by the Company through the delivery by the Company of such number of Common Shares equal to the number of Restricted Share Units then being settled or, at an Eligible Participant's election set out in the Settlement Notice, an amount in cash, net of applicable taxes, equal to the Market Price determined as of the Vesting Date of one Common Share for each RSU then being settled. If by the Expiry Date, an Eligible Participant fails to elect to settle an RSU and has not delivered a Settlement Notice, the Eligible Participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date for Common Shares and to receive Common Shares in respect thereof.
- (e) If settled in Common Shares, on the Settlement Date, the Company will cause to be delivered to the Eligible Participant a certificate or DRS advice statement in respect of such Common Shares provided that, if required by applicable law or the rules and policies of the TSXV or such other exchange or exchanges on which the Common Shares are traded, a restrictive legend shall be inscribed on the certificate or DRS advice statement, which legend shall state that the Common Shares shall not be transferable for such period as may be prescribed by law or by any regulatory authority or stock exchange on which the Common Shares are listed.
- (f) Notwithstanding the foregoing in this Section 11, no Common Shares will be issued or transferred until:
 - (i) an amount sufficient to cover the withholding taxes payable on the settlement of such RSUs has been received by the Company; or

- (ii) the Eligible Participant undertakes to arrange for such number of Common Shares to be sold as is necessary to raise an amount equal to such withholding taxes, and to cause the proceeds from the sale of such Common Shares to be delivered to the Company; or
- (iii) the Eligible Participant elects to redeem for cash such number of RSUs as is necessary raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.

12. SETTLEMENT AFTER THE EXPIRY DATE

Notwithstanding any other provision of this RSU Plan, no RSU shall be capable of settlement after the Expiry Date; provided however, that if as a result of a Blackout Period or other prohibition on settling an RSU, an RSU is not able to be settled by the Expiry Date, then the Settlement Date shall be automatically extended to the third (3rd) Business Day following the date the relevant Blackout Period or other trading restriction is lifted, terminated or removed, even if after the Expiry Date.

13. SETTLEMENT END DATE

Notwithstanding anything to the contrary in this RSU Plan, all Unit Awards shall be settled by no later than the tenth (10th) anniversary of their date of issue, failing which all such Unit Awards shall be deemed null and void and of no further effect.

14. CESSATION OF PROVISION OF SERVICES

- (a) Subject to any contrary determination made at the time of the grant of the Unit Award by the Board (and TSXV acceptance of such contrary determination if required), and subject to the discretion of the Board to determine otherwise (which for these purposes does not include a reference to a Committee) or as otherwise agreed in any contract with any Eligible Participant which has been approved by the Board (which for these purposes does not include a reference to a Committee), if an Eligible Participant or Awardee ceases to be any of an Employee, a Management Company Employee, a Director, an Officer, or a Consultant for any reason, including death, termination for cause, termination without cause, resignation or retirement, or for any other reason:
 - (i) any unvested Unit Award held by such Eligible Participant or Awardee at the date such Eligible Participant or Awardee ceased to be an Employee, a Management Company Employee, a Director, an Officer, or a Consultant, shall be terminated as of such date, and shall not thereafter entitle such Eligible Participant or Awardee or its estate or legal representative to any Unit Award or Restricted Share Units or cash payment; and
 - (ii) any vested Unit Award held by such Eligible Participant or Awardee at the date such Eligible Participant or Awardee ceased to be an Employee, a Management Company Employee, Director, Officer or Consultant, and which has not yet been settled, shall be settled within thirty (30) days of such date.
- (b) Subject to any contrary determination made at the time of the grant of the Unit Award by the Board (and TSXV acceptance of such contrary determination if required), and subject to the discretion of the Board to determine otherwise (which for these purposes does not include a reference to a Committee) or as otherwise agreed in any contract with any Eligible Participant which has been approved by the Board (which for these purposes does not include a reference to a Committee), if a Unit Award has Performance Conditions attached to it which remain unsatisfied at the date such Eligible Participant or Awardee ceased to

be an Employee, a Management Company Employee, Director, Officer or Consultant, the Unit Award shall be deemed to not have vested.

- (c) For greater certainty, if a contrary determination is made at the time of the grant of the Unit Award by the Board as to vesting following termination, or if a contrary determination is made otherwise or pursuant to an agreement with the Eligible Participant which has been approved by the Board, notwithstanding such authority of the Board, any unvested Unit Awards must vest not later than twelve (12) months following the date of termination.
- (d) Notwithstanding the foregoing, if an Eligible Participant's position with the Company changes from one of the said categories to another category, such change shall not constitute termination, resignation or retirement for the purpose of this RSU Plan.

15. ADJUSTMENT FOR CHANGE OF CONTROL; REORGANIZATIONS ETC.

For the purposes of this Section 15, any reference to the Board does not include a reference to a Committee.

- (a) Subject to this Section 15, in the event of an arrangement, reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares or other securities of the Company, the number of Common Shares available under this RSU Plan, and the Common Shares subject to any Unit Award, shall be appropriately and equitably adjusted and such adjustment shall be effective and binding for all purposes of this RSU Plan.
- (b) If a *bona fide* offer (the "**Offer**") for Common Shares is made to an Awardee or to shareholders generally or to a class of shareholders which includes the Awardee, which Offer, if accepted in whole or in part, would result in the offeror becoming a 'control person' within the meaning of subsection 1(1) of the *Securities Act* (British Columbia) (as amended from time to time), then the Company shall, immediately upon receipt of notice of the Offer, notify each Awardee currently holding a Unit Award of the Offer, with full particulars thereof. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting terms, conditions or schedules so that despite the other terms of this RSU Plan, if all conditions to the Offer are satisfied or waived, all Unit Awards shall vest and shall be deemed to have vested, and all Performance Conditions shall be deemed to have been satisfied, such that upon consummation of the Offer, all Unit Awards shall be settled in accordance with the procedure set forth in Section 11. If the Offer is not complied with within the time specified therein; then, at the discretion of the Board, the amended, abridged or otherwise eliminated vesting terms, conditions or schedules shall be reinstated and the affected Unit Awards shall continue as if not amended, abridged or otherwise adjusted pursuant to this Section 15(b).
- (c) If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all or substantially all of the assets of the Company to another entity, at the discretion of the Board, upon vesting of a Unit Award the holder thereof shall be entitled to receive any securities, property or cash which the Eligible Participant would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Eligible Participant had settled his, her or its Unit Award immediately prior to the applicable record date or event, as applicable. Prior to agreeing to any such amalgamation or arrangement, the Board shall take all such steps as are necessary to ensure that such other corporation honours this Section 15(c) and the requirement that vested Unit Awards be settled as aforementioned. Notwithstanding any other term of this RSU Plan, the Board has the sole discretion to amend, abridge or eliminate any vesting terms, conditions or schedule or to otherwise amend the conditions

of vesting so that despite the other terms of this RSU Plan, upon closing of such consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company all Unit Awards shall vest and shall be deemed to have vested, and all Performance Conditions shall be deemed to have been satisfied, such that upon consummation of the consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company, all Unit Awards shall be settled in accordance with the procedure set forth in Section 15(c).

- (d) Notwithstanding any other provision of this RSU Plan, any adjustment to a Unit Award granted or issued under this RSU Plan, except in relation to a consolidation or stock split, is subject to the prior approval of the TSXV.

16. AMENDMENTS TO RSU PLAN

- (a) The Board shall have the power to, at any time and from time to time, either prospectively or retrospectively, and without shareholder approval, amend this RSU Plan or any Unit Award or other award granted under this RSU Plan to fix typographical errors or amendments to clarify the existing provisions of this RSU Plan that do not substantively alter the scope, nature and intent of the provisions, or terminate this RSU Plan.
- (b) Notwithstanding Section 16(a) and any TSXV approval to an amendment, the Board (nor the Committee) shall not be permitted to amend:
 - (i) Section 4(a) in order to change the percentage of Common Shares issuable under this RSU Plan;
 - (ii) the limitations in Section 4(b);
 - (iii) the definition of "Eligible Participant" or the Persons eligible to participate in this RSU Plan;
 - (iv) the provisions of a Unit Award or Restricted Share Unit issued under this RSU Plan to an Insider where such amendment would result in a benefit to such Insider;
 - (v) the expiry and termination provisions herein,in each case without first having obtained Disinterested Shareholder Approval.
- (c) The Company may amend the terms of a Unit Award without the acceptance of the TSXV in the following circumstances, but provided the Company issues a news release outlining the terms of the amendment:
 - (i) to reduce the number of Common Shares under Unit Awards;
 - (ii) imposes additional Performance Conditions or other vesting conditions; or
 - (iii) to cancel a Unit Award.
- (d) Any amendment or termination shall not alter the terms or conditions of any Unit Award or impair any right of any holder of Unit Awards pursuant to any Unit Award granted prior to such amendment or termination.
- (e) Notwithstanding the foregoing, this RSU Plan will automatically terminate when, and if, any of the authorizations required to authorize this RSU Plan shall cease.

- (f) No such amendment to the RSU Plan shall cause the RSU Plan to cease to be a plan described in Section 7 of the Tax Act of any successor to such provision.

17. NOT A SHAREHOLDER

Nothing contained in this RSU Plan nor in any Unit Award granted hereunder shall be deemed to give any Eligible Participant any interest or title in or to any Common Shares or any rights as a Shareholder or any other legal or equitable right against the Company, or any of its Affiliates whatsoever, including without limitation, the right to vote as a Shareholder or the right to participate in any new issue of Common Shares to existing holders of Common Shares, other than those rights relating to Common Shares that have been issued by the Company upon the settlement of a Restricted Share Unit.

18. NO CONTINUED SERVICE

Nothing contained in this RSU Plan or the grant of a Unit Award shall confer upon any Eligible Participant any right with respect to employment or continuance of employment, consultancy agreement, or service of any nature with the Company or any Subsidiary or Affiliate of the Company, or interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the Eligible Participant's employment or consultancy agreement at any time. Participation in this RSU Plan by an Eligible Participant is entirely voluntary and Eligible Participant may decline a Unit Award at any time and/or voluntarily agree to the termination of a Unit Award previously granted at any time.

19. EFFECTIVE DATE

This RSU Plan is established effective on the date that this RSU Plan has been adopted by the Board (the "**Effective Date**") provided, however, that while Unit Awards may be granted prior to the necessary regulatory, stock exchange and shareholder approvals, no cash and/or Common Shares underlying a vested Unit Award shall be issued by the Company or paid to an Eligible Participant in accordance with this RSU Plan prior to it having received the necessary regulatory, stock exchange and shareholder approvals ("**Plan Approvals**"). If the Plan Approvals in respect of a Unit Award are not received within one (1) year of the grant date, the Unit Award shall terminate unvested at such time.

20. NECESSARY APPROVALS

The obligation of the Company to issue Common Shares in accordance with this RSU Plan is subject to the approval of any governmental authority having jurisdiction in respect of the Common Shares or any exchanges on which the Common Shares are then listed which may be required in connection with the authorization, or issuance of such Common Shares by the Company. If any Common Shares cannot be issued to any Eligible Participant for any reason including, without limitation, the failure to obtain such approval, the obligation of the Company to issue such Common Shares shall terminate and if the Company is lawfully permitted to settle RSUs in cash, it will settle RSUs in cash.

21. UNFUNDED PLAN

This RSU Plan shall be unfunded.

22. RECORD KEEPING

The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Awardee;
- (b) the number of vested and unvested Unit Awards held by each Awardee;

- (c) the relevant Performance Period and Performance Conditions (if any) attached to each Unit Award; and
- (d) such other information as the Board may determine from time to time.

23. TAXES

The Company may withhold from any remuneration or consideration whatsoever payable to such Eligible Participant hereunder, any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in this RSU Plan (the "**Applicable Withholding Taxes**"). For greater certainty, unless not required under the Tax Act, no cash payment will be made nor will Common Shares be issued until an amount sufficient to cover the Applicable Withholding Taxes payable on the settlement of such Restricted Share Units has been received by the Company (or withheld by the Company pursuant to Section 11(f)).

Notwithstanding the foregoing, the Company makes no representation or warranty as to the future market value of the Common Shares or with respect to any tax matters affecting the Eligible Participant resulting from the grant of a Unit Award or settlement of a Restricted Share Unit or transactions in the Common Shares. With respect to any fluctuations in the market price of Common Shares, neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Common Shares hereunder or their sale (as applicable) or in any other manner related to this RSU Plan. For greater certainty, no amount will be paid to, or in respect of, an Awardee under this RSU Plan or pursuant to any other arrangement, and no additional cash or Common Shares will be granted to such Eligible Participant to compensate for a downward fluctuation in the price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of, an Awardee for such purpose.

24. SUPREMACY

To the extent there is any inconsistency between this RSU Plan and TSXV Policies, the TSXV Policies shall prevail.

25. NOTICE

Any notice required to be given by this RSU Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by electronic transmission such as email addressed, if to the Company, to the head office of the Company, Attention: Corporate Secretary; or if to an Eligible Participant or Awardee, to such Eligible Participant or Awardee at his or her address as it appears on the books of the Company or in the event of the address of any such Eligible Participant not so appearing, then to the last known address of such Eligible Participant or Awardee; or if to any other person, to the last known address of such person.

26. FRACTIONAL COMMON SHARES

No fractional Common Shares shall be delivered upon the settlement of any Restricted Share Unit under this RSU Plan and, accordingly, if an Eligible Participant would become entitled to a fractional Common Share upon the settlement of a Restricted Share Unit, or from an adjustment permitted by the terms of this RSU Plan, such Eligible Participant shall only have the right to receive the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

27. GOVERNING LAW

This RSU Plan shall be construed in accordance with and be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

28. APPROVAL

- (a) Unless TSXV Policies otherwise provide, this RSU Plan must receive the approval of shareholders at the annual general meeting of The Company for that year.
- (b) Where any shareholder approval required in this RSU Plan is required to be Disinterested Shareholder Approval, such approval must be determined and calculated as required by TSXV Policies.
- (c) This RSU Plan was:
 - (i) initially approved by the Board on May 20, 2022; and
 - (ii) initially approved by shareholders on **[June 22, 2022]**.

**Schedule A
Restricted Share Unit – Form of Award Grant Agreement**

**DOLLY VARDEN SILVER CORPORATION
AWARD GRANT AGREEMENT**

Name: [name of Eligible Participant]

Date of Grant: [insert date]

Dolly Varden Silver Corporation (the "**Company**") has adopted the Restricted Share Unit Plan (the "**RSU Plan**") as a part of its compensation program. This Unit Award grant entitling the holder to Restricted Share Units is governed in all respects by the terms of the RSU Plan, and the provisions of the RSU Plan are hereby incorporated by reference. Capitalized terms used and not otherwise defined in this Award Grant Agreement shall have the meanings set forth in the RSU Plan. In the event of any discrepancy or conflict between this Grant Agreement and the RSU Plan, the RSU Plan shall govern.

Your Grant: The Company hereby grants to you [•] Unit Awards entitling you to [•] Restricted Share Units, subject to the following conditions.

Performance Conditions: [to be inserted]

Vesting: [to be inserted]

Settlement Date: [to be inserted]

By acceptance of this Unit Award and the underlying unvested Restricted Share Units, the undersigned acknowledges receipt of the RSU Plan and agrees hereby to become a party to and to be subject to the terms of the RSU Plan.

The undersigned further acknowledges and agrees that the Participant's above mentioned participation is voluntary.

Accepted and agreed to this ____ **day of** _____, _____.

[•]

By: _____
Name:
Title:

Signature of Participant

Name of Participant (Please Print)

**Schedule B
Restricted Share Unit – Form of Settlement Notice**

SETTLEMENT NOTICE

I, _____, in respect of the grant of Unit Award made to me on _____.
_____, which Unit Awards have now vested to RSUs as of the Vesting Date set forth below, hereby
elect to settle _____ Restricted Share Units and to receive (check one):

Date: _____

RSUs for Cash Settlement: _____

RSUs for Share Settlement: _____

Settlement Date: _____

If I elect to receive cash, I acknowledge that the Company will deduct applicable withholding taxes.

If I elect to receive Common Shares, I (check one):

enclose cash, a certified cheque, bank draft or money order payable to the Company in the amount of
\$ _____ as full payment for the applicable withholding taxes; or

undertake to direct that such number of Common Shares are to be sold, and the proceeds of such
Common Shares delivered to the Company, as is necessary to put the Company in funds equal to the
amount that would have otherwise been required in (i) above; or

elect to redeem for cash such number of RSUs as is necessary raise funds sufficient to cover such
withholding taxes with such amount being withheld by the Company.

Date: _____

Signature of Participant

Name of Participant (Please Print)