

DOLLY VARDEN SILVER TRIPLES RESOURCE AND ADVANCES ONE OF THE LARGEST PRECIOUS METAL ASSETS IN WESTERN CANADA

By Amanda Graff

Dolly Varden Silver Corporation (TSX-V: DV) has had a remarkable year so far. Once a pure silver play focused on growing high-grade silver resources in the Golden Triangle through 100% ownership in the Dolly Varden project, the company recently acquired the neighbouring Homestake Ridge project from Fury Gold Mines that hosts a primarily gold with silver mineral deposit.

In combining the two adjacent properties, Dolly Varden Silver has consolidated seven high-grade silver and gold deposits along with historic mines to create the 163-square-kilometre Kitsault Valley project. Comprised of the same structural setting that hosts deposits like Eskay Creek and Brucejack, Kitsault Valley is one of the largest undeveloped silver-gold assets in all of Western Canada, offering incredible economies of scale, operating and capex synergies, and upside potential.

"Combining a pure silver play with a primarily gold asset provides notable leverage and a unique precious metals combination, particularly at today's prices," said Rob van Egmond, Chief Geologist, Dolly Varden Silver.

The company's management team has effectively tripled its resources to 34.7 Moz of silver and 166 Koz of gold Indicated, and 29.3 Moz of silver and 817 Koz of gold Inferred. With a current total resource of 138 Moz of silver equivalent, Dolly Varden Silver has far surpassed industry thresholds, and is on track to become the next pre-development company operating in an ideal mining jurisdiction.

"Consolidating these assets was the logical next step – we knew from Homestake's previous PEA that it offered

robust economics and high-grade deposits, and the project is located along the same structural trend as the Dolly Varden Mine," said Rob van Egmond. "We've achieved economies of scale and now have a dedicated team exploring everything from one camp. Future economic analysis of the deposits can now include a model where numerous deposits feed into a single mill. From a resource standpoint, we're now well over the industry threshold that attracts majors for takeovers, investing, or advancing."

Dolly Varden Silver's hot streak is attracting attention, and the company was recently selected as a 2022 top junior stock by Bob Moriarty of 321gold who referred to them as "absolutely brilliant." The company also caught the attention of investors and recently closed a private placement involving renowned investor Eric Sprott and Hecla Mining with aggregate proceeds of \$13 million, boosting their treasury to \$27 million.

CONSOLIDATING HIGH-GRADE DEPOSITS TO ACHIEVE ECONOMIES OF SCALE

Located directly northwest of the Dolly Varden Mine, Homestake Ridge is a 7,500-hectare land package home to three known deposits: Homestake Main, Homestake Silver, and South Reef. In 2014, 90,000 metres of drilling resulted in a resource estimate of 165,993 ounces of gold and 1.8 million ounces of silver

Indicated and 816,719 ounces of gold and 17.8 million ounces of silver Inferred. The project's previous PEA produced an after-tax net present value of US\$173 million and an internal rate of return of 32%, with an estimated production of 590,040 ounces of gold equivalent over a 13-year initial mine life.

Southeast of Homestake Ridge, the Dolly Varden Mine is an 8,800-hectare property home to four historic deposits known as Wolf, North Star, Dolly Varden, and Torbit, which collectively produced more than 19 million ounces of silver over four decades. Roughly 86,000 metres of drilling has been completed on the property since 2017, resulting in several new discoveries including wide mineralization intervals that connect Torbit with the North Star target to the west. In 2019, the property's resource estimate was updated to 32.9 Moz Indicated and 11.477 Moz Inferred.

Together, these two properties comprise the Kitsault Valley project which boasts a collective mineral resource base of 34.7 million ounces of silver and 165,993 ounces of gold Indicated and 29.3 million ounces of silver and 816,719 ounces of gold Inferred. Combined with shared infrastructure and proximity to a power grid and access road, it's expected that substantial co-development synergies will emerge as these deposits are advanced.

There's room for this highly-prospective land package to grow through additional exploration along a combined 15-kilometre strike-length. Consolidation also eliminated project boundaries, enabling the comprehensive regional targeting of an unexplored 5.4-kilometre Kitsault Valley gap where there's ample potential for new discoveries. CEO & Director of Dolly Varden Silver, Shawn Khunkun commented:

"We're excited to combine two adjacent precious metals projects

located in one of the world's top mining jurisdictions. We expect this combination will result in synergies in exploration, development, permitting, and production. We look forward to continued engagement with Indigenous and community partners to ensure the responsible development of this compelling project."

UPGRADING AND EXPANDING RESOURCES THROUGH AN AMBITIOUS DRILL CAMPAIGN

When it comes to exploring the newly consolidated Kitsault Valley project, Dolly Varden Silver plans to hit the ground running. They're mobilizing early and plan to drill between 30,000 – 50,000 metres, three to five times more than the ambitious drill campaign the company carried out last year.

"We're getting an early start and embarking on a large-scale program to test several theories and really get to know the Homestake Ridge

deposit," said Rob van Egmond. "The bulk of exploration will focus on upgrading inferred resources to measured and indicated, and once defined, we'll start testing down plunge and along strike to define and target high-grade ore shoots. On the Dolly Varden side, we'll aim to connect Torbit with Homestake along the newly consolidated, unexplored border."

Around 75% of the initial 30,000 metre exploration program will comprise infill drilling to upgrade the existing mineral resource, and step-out drilling to uncover mineralization of known deposits at depth and outside of existing resources. The remaining 25% will be dedicated to exploration drilling with a focus on the 5.4-kilometre trend between Dolly Varden's Wolf deposit and the gold and silver deposits at Homestake Ridge.

Geological and geochemical modelling indicates there are more deposits to be discovered in this area, and there's expansion potential at the favourable volcanogenic Torbit horizon, as well as at the Wolf zone where potassic anomalies have been identified.

2022 exploration will follow on the heels of last year's successful program. In 2021, Dolly Varden Silver completed 10,506 metres of resource expansion, upgrade, and exploration drilling across 31 holes including 21 holes at the Torbit and associated Kitsol target. The company reported wide sections of silver mineralization from several zones that comprise Torbit, the largest of the four deposits on the Dolly Varden property. Drill highlights included:

- 12.28 metres true-width averaging 354 g/t silver from a depth of 134.85 metres at Kitsol
- 18.27 metres true-width averaging 230 g/t silver from a depth of 157.12 metres at Kitsol
- 0.70 metres drilled length averaging 1,220 g/t silver from a



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depth of 361.45 metres at Torbit North

- 16 metres drilled length averaging 212 g/t silver from a depth of 165 metres at Torbit
- 5.1 metres drilled length averaging 364 g/t silver from a depth of 120.5 metres at Torbit

These results combined with an extension of high-grade silver mineralization at the Wolf deposit demonstrated the continued resource expansion potential within a two-kilometre-long gap that runs between known deposits on the Dolly Varden property. Lying roughly 2,000 metres north of Torbit, the Wolf deposit is the northernmost of the Dolly Varden deposits, hosting 402,000 metric tons of Indicated resource averaging 296.6 g/t (2.1 million oz) silver, plus 9,500 metric tons of Inferred resource averaging 230.6 g/t (70,000 oz) silver.

Earlier in the year, Dolly Varden Silver reported high-grade results from 2021 drilling at Wolf which included a hole that tested the southwest projection of the Wolf vein about 94 metres down-plunge, cutting 1.22 metres averaging 1,532 g/t silver, 0.44 g/t gold, 2.11% lead, and 1.07% zinc within a 17.5-metre-thick breccia zone averaging 214 g/t silver and 0.47% lead.

"The 2021 program was split between exploration, infill, and expansion drilling around the known resource," said Rob van Egmond.

"Infill drilling successfully confirmed thicker intercepts and expansion drilling identified new lenses and extensions in the north. On the exploration side, we achieved encouraging results that included a 94-metre step out at the Wolf vein and newly defined areas of potassic alteration below a sediment cap that sits in the bottom of the valley. Holes up to 300 metres deep tested gold and copper trends leading up to Homestake Ridge which resulted in highly anomalous gold discoveries surrounding the intrusive at depth."

Once 2022 drilling is complete, Dolly Varden Silver will prepare a new resource estimate for the combined Kitsault

Valley project which is anticipated for Q2 of next year. The report will incorporate Dolly Varden drill results since 2018 along with Homestake Ridge drill results from this year.

COMMUNITY ENGAGEMENT FACILITATES WORLD-CLASS MINERAL DEVELOPMENT

As Dolly Varden Silver embarks on an ambitious exploration program and advances the Kitsault Valley project to the PEA level, the company's commitment to community engagement remains steadfast. Dolly Varden Silver is a founding member of the B.C. Regional Mining Alliance (BCRMA), a partnership between the B.C. government, First Nations (the Nisga'a Lisims Government), and Industry (economic mineral explorers).

With a focus on exploration projects in B.C.'s Golden Triangle, the BCRMA showcases to an international audience how collaboration between government, industry, and local Indigenous peoples is facilitating world-class mineral development in the province's vibrant and competitive mining sector.

Involvement in the BCRMA reflects Dolly Varden Silver's commitment





to benefiting local communities by building strong relationships with First Nations stakeholders; maximizing training, employment, and contracting opportunities; and engaging in regular, transparent dialogue.

The Kitsault Valley project lies within the Nisga'a territory, and currently, 30% of the company's exploration team is from the Nisga'a First Nation, the original occupant of the Nass River Valley of northwestern B.C. This strong relationship is a significant asset to Dolly Varden Silver, and one that the company greatly values.

"We have agreements in place and schedule regular consultation meetings, but it's more than that," said Rob van Egmond. "We've developed a great working relationship with the Nisga'a First Nation and it's like working with family. Now that we're growing and advancing our project, we'll be actively seeking to further our engagement with First Nations stakeholders while opening up new channels for consultation."

In support of local economic development, Dolly Varden Silver has enjoyed a longstanding partnership with Indigenous-owned Savage Pads, a full-service construction contractor that has provided specialized services to the Dolly Varden project for more than 10 years. The company was founded by Phillip Clayton, who leverages his knowledge of engineering

and constructing helicopter and drill pads to provide training and employment opportunities to local community members.

With the consolidation of the Kitsault Valley property, the Savage Pads team has mobilized a large crew to construct pads that can be customized to almost any type of terrain. As part of this service, the company brings in all materials required to construct the pads, modifies construction to the unique landscape, dismantles the pads, and provides full land reclamation after use. In light of current timber costs, a unique technique is employed that fully reuses timber and incorporates it into various components of the pads while leveraging fallen trees to increase pad stability.

Savage Pads has also participated in road and bridge construction, and mobilizes camps for operation. With a commitment to diversification, the company recently expanded its services to include highly-skilled core cutters, geological technicians, medics, and first responders on the team.

Savage Pads collaborates with the Nisga'a Employment, Skills and Training (NEST) organization which provides resources and services to support the Nisga'a people in finding and keeping meaningful employment. Through their partnership with NEST, Savage Pads employees can achieve certification for their specialized skillsets.

Training is also provided through the Gitlaxt'aamix Village Government, the administrative capital of the Nisga'a Nation, which provides training and certification in a number of capacities including the transportation of dangerous goods, emergency services, ATV, and backroad training. Phillip Clayton's involvement with the Gitlaxt'aamix Village Government spans back more than a decade through his work as a grant writer and his involvement in developing a number of community health and youth programs.

Phillip Clayton's commitment to excellence is reflected in Savage Pads' operations, where no project is considered too vigorous, and challenges are tackled head on. The company excels at meeting customer needs and delivering on aggressive timelines, which has solidified the company's working relationship with Dolly Varden Silver year after year.

"We have an excellent working relationship with Dolly Varden Silver and are essentially on a handshake agreement," said Phillip Clayton, Founder of Savage Pads. "Our crews are highly-trained and skilled problem-solvers so no job is too complex. Previously, crews would be flown in from Kamloops, and the transition to leveraging local talent has facilitated cost savings related to transportation and accommodation while minimizing risk."

Rob van Egmond added: "Savage Pads has been instrumental to our operations. We prioritize local hiring because the skillset is there, and community members have a deep knowledge of the local area in addition to a vested interest in project success. It's a true team environment where everyone is working together towards a common goal."

Learn more about Dolly Varden Silver Corp. at www.dollyvardensilver.com