NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

OF DOLLY VARDEN SILVER CORPORATION

TO BE HELD ON FEBRUARY 22, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

JANUARY 21, 2022

This document is important and requires your immediate attention. If you have any questions or require assistance, you should consult your investment dealer, broker, bank manager, lawyer or other professional advisor. No securities regulatory authority in Canada or the United States has expressed an opinion about, or passed upon the fairness or merits of, the transaction described in this document, or the adequacy of the information contained in this document and it is an offense to claim otherwise.

YOUR VOTE IS IMPORTANT. PLEASE VOTE TODAY.

January 21, 2022

To the Shareholders of Dolly Varden Silver Corporation ("**Shareholders**"),

You are cordially invited to attend the special meeting (the "**Meeting**") of Shareholders to be held at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8 Canada, on Tuesday, February 22, 2022 at 10:00 a.m. (Vancouver time).

At the Meeting you will be asked to consider and vote on a proposed transaction whereby Dolly Varden Silver Corporation (the "**Company**" or "**Dolly Varden**") will acquire from Fury Gold Mines Ltd. ("**Fury**"), indirectly through the acquisition of Fury's wholly-owned subsidiary Homestake Resource Corporation ("**Homestake**"), a 100% interest in the Homestake Ridge gold-silver project (the "**Homestake Project**"), located adjacent to the Dolly Varden Project in the Golden Triangle in British Columbia (the "**Transaction**"). While the acquisition of Homestake itself does not require approval of Shareholders under applicable securities or corporate law, the policies of the TSX Venture Exchange ("**TSXV**") provide that Shareholder approval is required for any transaction which would result in the creation of a new "control person". If the Transaction is completed, Fury will own approximately 36.9% of the Company on an outstanding basis upon completion of the Transaction. Accordingly, Shareholders are being asked to consider and vote upon the Transaction and the creation of a new "control person" of Dolly Varden.

Pursuant to the rules of the TSXV, the Transaction must be approved by an ordinary resolution passed by a simple majority of Shareholders at the Meeting. In addition to the approval of Shareholders, completion of the Transaction is subject to receipt of required regulatory approvals, including final approval of the TSXV, and other customary closing conditions, all of which are described in more detail in the accompanying management information circular (the "**Circular**"). While certain matters, such as the timing of TSXV final approval, are outside our control, if the Transaction is approved by a simple majority of Shareholders at the Meeting, and the other conditions to closing are satisfied, it is anticipated that the Transaction will be completed and become effective on or about February 25, 2022.

Transaction Highlights

- Combined mineral resource base of 34.7 million ounces of silver and 166 thousand ounces of gold in the indicated category and 29.3 million ounces of silver and 817 thousand ounces of gold in the inferred category, solidifying the combined Homestake Project and Dolly Varden Project, the Company's existing project, as among the largest high-grade, undeveloped precious metal assets in Western Canada.

- Consolidation of two adjacent projects, allowing for numerous potential co-development opportunities with capital and operating synergies.

- Exposure to a large and highly prospective land package, with potential to further expand resources through additional exploration along a combined 15 km strike-length within a 163 km2 consolidated land package.

- An updated Homestake Project technical report effective January 20, 2022 stated a current Mineral Resources Estimated for the Homestake Project that contains 165,993 ounces of gold and 1.8 million ounces of silver in the Indicated category (at an average grade of 7.02 g/t Au and 74.8 g/t Ag) and 816,719 ounces of gold and 17.8 million ounces of silver in the Inferred category (at an average grade of 4.58 g/t Au and 100.0 g/t Ag) within a 7,500 hectare land package located contiguous to and northwest of the Dolly Varden Project. The close proximity of the deposits that make up the current mineral resource estimates, combined with common infrastructure in the region, is expected to generate substantial co-development synergies as these deposits are advanced in combination.

- Fury to have board representation in Dolly Varden through the appointment of Tim Clark, CEO and Director of Fury as well as Michael Henrichsen, Senior Vice President, Exploration of Fury to the Dolly Varden board.

- Fury has agreed to certain voluntary share resale restrictions with respect to the shares of Dolly Varden that it will acquire pursuant to the Transaction.

Transaction Details

On December 6, 2021, the Company and Fury entered into a definitive agreement (the "**Purchase Agreement**") pursuant to which the Company has agreed to acquire all of the outstanding common shares of Homestake, which holds a 100% interest in the Homestake Project, in exchange for a $5 million cash payment and the issuance of 76,504,590 common shares of Dolly Varden ("**Common Shares**"). Upon completion of the Transaction, Fury will own approximately 36.9% of the Company on an outstanding basis.

At closing of the Transaction, Dolly Varden and Fury have agreed to enter into an investor rights agreement (the "**Investor Rights Agreement**") pursuant to which Fury shall, among other things, have the right to appoint two nominees to the Dolly Varden board (the "**Board**") so long as Fury owns greater than 20% of the Dolly Varden 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 Board. Additionally, the Common Shares issued to Fury shall be subject to a one-year hold period. The Investor Rights Agreement shall also contain certain customary re-sale restrictions, voting and standstill conditions, and participation rights as agreed between Dolly Varden and Fury.

Board Recommendation

The Board has reviewed the terms and conditions of the Purchase Agreement and the transactions contemplated thereunder. After careful consideration of, among other things, the Fairness Opinion (as defined in the Circular), which concludes that the consideration to be paid by the Company to Fury under the Transaction is fair, from a financial point of view, to the Company, the advice of legal and financial advisors and such other matters as it considered relevant, the Board has unanimously concluded that the Transaction is in the best interests of Dolly Varden and is fair to the Shareholders and has approved the Transaction and authorized this submission for approval to the Shareholders at the Meeting. Accordingly, the Board unanimously recommends that the Shareholders vote **FOR** the Transaction.

The accompanying Notice of Meeting and Circular contain a detailed description of the Transaction and include certain other information to assist you in considering the matters to be voted upon. You are urged to carefully consider all of the information in the accompanying Circular. If you require assistance, you should consult your financial, legal, or other professional advisor.

Your vote is important regardless of the number of Common Shares that you own.

Voting

To mitigate risks to Shareholders, Dolly Varden employees and other stakeholders related to the resurging COVID-19 (coronavirus) public health emergency, and based on government recommendations to avoid large gatherings, we strongly encourage Shareholders to vote in advance of the Meeting by completing the enclosed form of proxy rather than appearing in person, or appointing an alternate proxyholder to attend the Meeting in person. You should specify your choice by marking the box on the enclosed form of proxy and by dating, signing and returning your proxy in the enclosed return envelope addressed to Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by fax at 1-866-249-7775 (toll free within North America) or at 1-416-263-9524 (if outside North America), at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment or postponement thereof. In this case, assuming no adjournment, the proxy cut-off time is on Thursday, February 17, 2022 at 10:00 a.m. (Vancouver Time). Alternatively, you may submit your vote via the internet or telephone by following the instructions set out in the form of proxy. Please do this as soon as possible. Voting by proxy will not prevent you from voting in person if you attend the Meeting and revoke your proxy but will ensure that your vote will be counted if you are unable to attend.

If you are not registered as the holder of your Common Shares but hold your Common Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary in order to vote your Common Shares. See the section in the Circular entitled "*General Proxy Information – Non-Registered Holders*" for further information on how to vote your Common Shares.

If you have any questions or require more information with regard to voting your Common Shares please contact Computershare by telephone at 1-800-564-6253 (toll free North America) or 514-982-7555 (International).

On behalf of Dolly Varden, we would like to thank you for your continued support as we proceed with this important transaction.

Sincerely,

"*Shawn Khunkhun*"

Director, President & CEO

Dolly Varden Silver Corporation

DOLLY VARDEN SILVER CORPORATION
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given to holders ("**Shareholders**") of common shares ("**Common Shares**") in the capital of Dolly Varden Silver Corporation (the "**Company**") that a special meeting (the "**Meeting**") of Shareholders of the Company will be held at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8 Canada, on Tuesday, February 22, 2022 at 10:00 a.m. (Vancouver time), for the following purposes:

1. to consider, and, if thought advisable, to pass, with or without such variation as may be validly resolved at the Meeting, an ordinary resolution, the full text of which is set out in Appendix A to the accompanying management information circular of the Company dated January 21, 2022 (the "**Circular**") approving the acquisition of Homestake Resource Corporation ("**Homestake**") by the Company from Fury Gold Mines Limited ("**Fury**") pursuant to a share purchase agreement dated December 6, 2021 and the resulting creation of a new "Control Person" (as such term is defined in the policies of the TSX Venture Exchange) of the Company, being Fury.

2. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Please Read This Important Notice

To mitigate risks Shareholders, Company employees and other stakeholders related to the resurging COVID-19 (coronavirus) public health emergency, 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 is monitoring developments regarding COVID-19. In the event 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.

Accompanying this notice of meeting are: (i) the Circular in respect of the Meeting; and (ii) the form of proxy for use by registered Shareholders in connection with the Meeting.

The Circular contains specific details of matters to be considered at the Meeting.

The board of directors of the Company has fixed January 13, 2022 as the record date for determining the registered Shareholders who are entitled to vote at the Meeting. Only registered Shareholders of the Company at the close of business on the record date will be entitled to receive notice of and vote at the Meeting.

Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Common Shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy or another suitable form of proxy and deliver it in accordance with the instructions set out in the accompanying form of proxy and information circular.

Non-registered Shareholders who would like to attend the Meeting should complete and return the materials they received in accordance with the instructions from their broker or other intermediary to ensure that their Common Shares will be voted at the Meeting. If you hold your Common Shares in a brokerage account, you are a non-registered shareholder.

DATED at Vancouver, British Columbia, January 21, 2022

BY ORDER OF THE BOARD

"Shawn Khunkhun"

Shawn Khunkhun
Director, President & CEO

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ADDENDA

Dolly Varden Silver Corporation

1800 – 555 Burrard Street
Vancouver, BC V7X 1E5
Phone: (604) 602-1440

INFORMATION CIRCULAR

(As at January 21, 2022 except as indicated)

GENERAL INFORMATION

Please Read This Important Notice

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

For further information regarding the voting in advance by proxy, please review the information below under the heading "*General Proxy Information*".

The ability of Shareholders to attend the Meeting in person is subject to any governmental orders applicable at the time of the either 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 either 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 February 22, 2022.

Dolly Varden is monitoring developments regarding COVID-19. In the event the Company decides any change to the date, time, location or format of the Meeting is 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 the Company's SEDAR profile at www.sedar.com.

Information Contained in this Circular

This information circular (the "Circular") is furnished to you in connection with the solicitation of proxies by management of Dolly Varden Silver Corporation ("we", "us", "Dolly Varden" or the "Company") for use at the special meeting (the "Meeting") of shareholders of the Company ("Shareholders") to be held at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8 Canada, on Tuesday, February 22, 2022 at 10:00 a.m. (Vancouver time) and at any adjournments of the Meeting.

The information contained herein is provided as of January 21, 2022, unless indicated otherwise. No person has been authorized to give any information or make any representation in connection with matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the management of the Company.

All information concerning Fury Gold Mines Ltd. and Homestake Resource Corporation, including information concerning the Homestake Ridge Project contained in this Circular has been provided by Fury. Although the Company has no knowledge that would indicate that any of such information is untrue or incomplete, the Company does not assume any responsibility for the accuracy or completeness of such information or the failure by the Company to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Company.

For further information regarding Homestake Resource Corporation, see "*Information Concerning Homestake*" below and Appendix B to this Circular. For further information regarding Fury, see Fury's profile on SEDAR at www.sedar.com.

All summaries of, and references to, the Purchase Agreement and Investor Rights Agreement in this Circular are qualified in their entirety by reference to the complete text of the Purchase Agreement (which includes the form of

Investor Rights Agreement). A copy of the Purchase Agreement is available under the Company's profile on SEDAR at www.sedar.com. **You are urged to carefully read the full text of the Purchase Agreement.**

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, investment, financial or other professional advisors in considering the relevant legal, tax, investment, financial or other matters contained in this Circular. Completion by the Company of the Transaction will not result in any taxable transaction to Shareholders.

Capitalized terms used in this Circular but not otherwise defined herein shall have the meanings set forth under "Glossary", except where otherwise noted.

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, Canada, and the applicable securities laws of certain 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.

Geological and other technical information concerning the properties and operations of the Company, Fury and Homestake has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws. Mineral reserve and mineral resource estimates included or incorporated by reference in this Circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum definitions and classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC (as defined below), and mineral reserve and mineral resource information contained or incorporated by reference in this Circular may not be comparable to similar information disclosed by United States companies under SEC standards. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under heretofore-applicable United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by United States standards in documents filed with the SEC. United States investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of "contained ounces" in a mineral resource estimate is permitted disclosure under NI 43-101 provided that the grade or quality and the quantity of each category is stated; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Recently-adopted U.S. disclosure standards are intended to more closely align with Canadian standards, however differences still exist between in the definitions used under U.S. disclosure standards and Canadian disclosure standards. Accordingly, information contained in this Circular and the documents incorporated by reference herein containing descriptions of mineral deposits may not be comparable to similar information made public by U.S. companies subject to past, current or future reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.

National Instrument 43-101

The material property of Dolly Varden is the Dolly Varden Project. All information concerning the Dolly Varden Project in this Circular has been provided by the Company. Unless otherwise stated, scientific and technical information concerning the Dolly Varden Project is summarized, derived, or extracted from the Dolly Varden Project Report (as defined below). The Dolly Varden Project Report has been filed with Canadian securities regulatory authorities and is available for review on the Company's profile on SEDAR at www.sedar.com. For a complete description of assumptions, qualifications, and procedures associated with the information in the Dolly Varden Project, reference should be made to the full text of the Dolly Varden Project Report.

The material property of Homestake is the Homestake Ridge Project. All information concerning the Homestake Ridge Project in this Circular, other than in Appendix B, has been provided by Dolly Varden. Unless otherwise stated, scientific and technical information concerning the Homestake Ridge Project is summarized, derived, or extracted from the Homestake Ridge Project Report (as defined below). The Homestake Ridge Project Report has been filed by Dolly Varden with Canadian securities regulatory authorities and is available for review on the Company's profile on SEDAR at www.sedar.com. For a complete description of assumptions, qualifications, and procedures associated with the information in the Homestake Ridge Project Report, reference should be made to the full text of the report.

The scientific and technical information contained in this Circular related to the Dolly Varden Project and Homestake Ridge Project was reviewed and approved by Robert van Egmond, a "Qualified Person" as defined in NI 43-101. Mr. van Egmond is not independent to Dolly Varden pursuant to 43-101 as he is an employee of the Company.

Each of the authors of the Dolly Varden Project Report and the Homestake Ridge Project Report listed under the heading "*Interests of Experts*" below is an independent "qualified person" for the purposes of NI 43-101.

Readers are reminded that the conclusions of the Dolly Varden Project Report and the Homestake Ridge Project Report are preliminary in nature and may include inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the mine plans and economic models contained in any of the Dolly Varden Project Report or the Homestake Ridge Project Report will be realized. Readers are further cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements that are based on the Company's current expectations and estimates of the business and management. In some cases, you can identify forward-looking statements by terminology such as "pro-forma", "anticipate", "believe", "plan", "suggest", "estimate", "project", "indicate", "expect", "intend", "may", "should expect", "target", "will", "unlock upside potential" and other similar words or statements that certain events or conditions "may" or "will" occur. The forward-looking statements are not historical facts, but reflect current expectations regarding future results or events. This Circular contains forward-looking statements.

These forward-looking statements are based on current expectations and various estimates, factors and assumptions, and involve known and unknown risks, uncertainties and other factors.

Forward-looking statements in this Circular include, but are not limited to, statements relating to:

- particulars regarding the Meeting;
- the ability of the Company to consummate the Transaction on the terms of the Purchase Agreement;

- the ability to satisfy the conditions to, and complete the Transaction, including the receipt of all necessary Shareholder Approval and the TSXV final approval;
- the anticipated closing date of the Transaction;
- the anticipated benefits of the Transaction;
- the expected costs of the Transaction;
- discussion regarding the Post-Closing Company;
- future trends, plans, strategies, objectives and expectations;
- the prospective nature of the Dolly Varden Project or the Homestake Ridge Project;
- future operations of the Company, Homestake, the Post-Closing Company, the Dolly Varden Project or the Homestake Ridge Project; and
- the Pro-Forma Financial Statements of the Post-Closing Company included in this Circular.

Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed.

The material factors and assumptions that were applied in making the forward-looking statements in this Circular include: (a) assumptions regarding the ability of the Parties to receive, in a timely manner and on satisfactory terms, the necessary Shareholder Approval and TSXV final approval; (b) the ability of the Parties to satisfy in a timely manner, the conditions to the closing of the Transaction; (c) the value of Dolly Varden and Homestake; (d) the accuracy of reserve and resource, grade, mine life, cash cost, net present value and internal rate of return estimates and other assumptions, projections and estimates made in the Homestake Ridge Project Report and Dolly Varden Project Report; (e) that mineral resources can be developed as planned; (f) interest and exchange rates; (g) that required financing and permits will be obtained; (h) general economic conditions; (i) that labour disputes, surface rights disputes, access to property, flooding, ground instability, fire, failure of plant, equipment or processes to operate as anticipated and other risks of the mining industry will not be encountered; (j) the price of gold, silver, and other metals; (k) competitive conditions in the mining industry; (l) title to mineral properties; (m) changes in laws, rules and regulations applicable to the Company; (n) the accuracy of current interpretation of drill and other exploration results, since new information or new interpretation of existing information may result in changes in the Company's expectations; and (o) the assumptions set forth in the Pro-Forma Financial Statements.

Although management of Dolly Varden believe that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. Actual results and developments may differ materially from those expressed or implied by the forward-looking statements contained herein and even if such actual results and developments are realized or substantially realized, there can be no assurance that they will have the expected consequences or effects.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such risks and factors include, among others:

- the Transaction may not complete for a number of possible reasons;
- the inability to obtain required consents, permits or approvals, including that of the TSXV or Shareholder Approval of the Transaction Resolution;
- timing, closing or non-completion of the Transaction, including due to the parties failing to receive, in a timely manner, and on satisfactory terms, the necessary Shareholder, stock exchange and regulatory approvals or the inability of the parties to satisfy or wave in a timely manner the other conditions to the Closing or the conditions precedent, as applicable, of the Transaction;
- failure to realize anticipated benefits of the Transaction;
- dilution of current share ownership;
- exploration, development and production risks;
- substantial capital requirements;

- competition;
- volatility of mineral prices;
- mineral reserves / mineral resources;
- environmental, political, economic and social risks;
- reliance on key personnel;
- conflicts of interest;
- dividends;
- substantial number of authorized but unissued shares;
- stock exchange prices;
- permits and licenses;
- title risks;
- limited operating history;
- uninsured risks;
- unforeseen expenses;
- the actual results of current exploration activities;
- conclusions of economic evaluations;
- changes in project parameters as plans continue to be refined;
- possible variations in ore grade or recovery rates;
- accidents, labour disputes and other risks of the mining industry;
- delays in obtaining governmental approvals or financing;
- fluctuations in metal prices;
- the impact of the COVID-19 pandemic; and
- legal and litigation risks.

There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The estimates, risks and uncertainties described in this Circular are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results, or otherwise. Forward-looking statements are not a guarantee of future performance, and accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

CURRENCY

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

GLOSSARY

In this Circular the following capitalized words and terms shall have the following meanings:

"**2019 Homestake Project MRE**" has the meaning ascribed to it in "*Data Verification*" in Exhibit 2 to Appendix C;

"**AEM**" means Agnico Eagle Mines Limited;

"**Ancillary Rights Agreement**" between Hecla and Dolly Varden dated September 4, 2012;

"**AOA**" means Archeological Overview Assessment;

"**APEX**" means APEX Geoscience Ltd. of Edmonton, Alberta;

"**Auryn**" means Auryn Resources Ltd. (until October 9, 2020, the former name of Fury);

"**BCBCA**" means the Business Corporations Act (British Columbia);

"**Board**" means the board of directors of the Company as it may be comprised from time to time;

"**CEE**" has the meaning ascribed to it in "Appendix C – *Risk Factors – Flow-Through Shares"*;

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

"**CGU**" means Cash Generating Unit;

"**Closing**" means the closing of the transactions contemplated by the Purchase Agreement;

"**Coeur**" means Coeur Mining, Inc.

"**Common Shares**" means common shares in the capital of the Company;

"**Company**" or "**Dolly Varden**" means Dolly Varden Silver Corporation, a company incorporated under the laws of British Columbia;

"**Computershare**" means Computershare Investor Services Inc.

"**Consideration Shares**" means the 76,504,590 Common Shares to be issued to Fury as partial consideration for the completion of the Transaction;

"**Circular**" means, collectively, the Notice of Meeting and this management information circular of the Company dated January 21, 2022, prepared for the Meeting, including all appendices and exhibits hereto;

"**Dolly Varden Project**" means the Dolly Varden project located north of Alice Arm, within the Stewart Complex in northwestern British Columbia;

"**Dolly Varden Project Report**" means Technical Report and Mineral Resource Update for the Dolly Varden Property, British Columbia, Canada prepared for the Company and dated effective as of May 8, 2019;

"**DSUs**" mean deferred share units of the Company;

"**DV Fundamental Representations**" has the meaning ascribed to it in "*The Purchase Agreement – Indemnification*";

"**Fairness Opinion**" means the fairness opinion dated December 6, 2021, as prepared for the Board by Haywood Securities Inc., to the effect that as of the date of such opinion, subject to the assumptions and limitations set out therein, the consideration to be paid by Dolly Varden is fair, from a financial point of view, to the Company**,** a copy of which is attached as Appendix D to this Circular;

"**Fehr Agreement**" has the meaning ascribed to it in "Appendix C – *Executive Compensation – External Management Companies"*;

"**Fury**" means Fury Gold Mines Limited, a company incorporated under the laws of British Columbia (previously Auryn Resources Ltd. until October 9, 2020);

"**Fury Fundamental Representations**" has the meaning ascribed to it in "*The Purchase Agreement – Indemnification*";

"**Governmental Authority**" has the meaning ascribed to it in the Purchase Agreement;

"**Haywood**" means Haywood Securities Inc.;

"**Hecla**" means Hecla Canada Ltd.;

"**Homestake**" means Homestake Resource Corporation, a company incorporated under the laws of British Columbia;

"**Homestake Financial Statements**" has the meaning ascribed to it in "Appendix B – *Summary*";

"**Homestake Information**" has the meaning ascribed to it in "Appendix B – *Summary*";

"**Homestake Ridge Project**" means the Homestake Ridge precious metals project in the Kitsault region of British Columbia;

"**Homestake Ridge Project Report**" means the Technical Report and Updated Mineral Resource Estimate for the Homestake Ridge Gold Project dated effective January 20, 2022**;**

"**Homestake Royalty**" means Homestake Royalty Corporation, a company incorporated under the laws of British Columbia;

"**Homestake Shares**" means all of the issued and outstanding common shares in the capital of Homestake;

"**IASB**" means the International Accounting Standards Board;

"**IFRS**" means the International Financial Reporting Standards;

"**Investor Rights Agreement**" means the investor rights agreement between the Company and Fury to be entered into at Closing, in the form attached as Schedule C to the Purchase Agreement;

"**Kitsault Valley Project**" means the combined Dolly Varden Project and Homestake Ridge Project, after the Closing of the Transaction;

"**Meeting**" means the special meeting of Shareholders, including any adjournment or postponement thereof, to be called and held to consider and, if thought appropriate, approve the Transaction Resolution and any other matters as may be set out in this Circular;

"**MRE**" means mineral resource estimate;

"**MYAB**" means Multi Year, Area Based;

"**Named Executive Officer**" has the meaning ascribed to it in "Appendix C – *Executive Compensation – Compensation Discussion and Analysis*";

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**NI 52-110**" means of National Instrument 52-110 – *Audit Committees*;

"**NI 54-101**" means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"**NOBO**" or "**Non-Objecting Beneficial Owner**" has the meaning ascribed to it in "*General Proxy Information – Non-Registered Holders*";

"**Nominee**" has the meaning ascribed to it in "*General Proxy Information – Non-Registered Holders*";

"**Non-Registered Shareholder**" has the meaning ascribed to it in "*General Proxy Information – Non-Registered Holders*";

"**Notice of Meeting**" means the notice of Meeting dated January 21, 2022 and delivered to Shareholders with this Circular;

"**NSR**" means a net smelter return royalty;

"**OBO**" or "**Objecting Beneficial Owner**" has the meaning ascribed to it in "*General Proxy Information – Non-Registered Holders*";

"**Option**" means an option to purchase Common Shares under the terms of the Stock Option Plan;

"**Outside Date**" means April 15, 2022, which date may be extended by written agreement of the Parties;

"**Previous Homestake Project Report**" has the meaning ascribed to it in "*Data Verification*" in Exhibit 2 to Appendix C;

"**Parties**" means Dolly Varden and Fury and "**Party**" means either Dolly Varden or Fury, as the case may be;

"**Post-Closing Company**" means Dolly Varden after the completion of the Transaction, whereby Homestake shall be a subsidiary of Dolly Varden;

"**Pro-Forma Financial Statements**" has the meaning ascribed to it in "Appendix C – *Pro-Forma Financial Information – Selected Pro-Forma Financial information*";

"**Purchase Agreement**" means the share purchase agreement dated December 6, 2021 between the Company and Fury;

"**Record Date**" means January 13, 2022;

"**Registered Shareholder**" has the meaning ascribed to it in "*General Proxy Information – Non-Registered Holders*";

"**S2K Agreement**" has the meaning ascribed to it in "Appendix C – *Executive Compensation – External Management Companies"*;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Shareholder Approval**" means approval of the Transaction Resolution by a simple majority of the votes cast in respect of the Transaction Resolution by the Shareholders present in person or represented by proxy at the Meeting, as required by the TSXV;

"**Shareholders**" means the holders, from time to time, of Common Shares;

"**Stock Option Plan**" has the meaning ascribed to it in "Appendix C – *Executive Compensation – Compensation Discussion and Analysis*";

"**Supporting Shareholders**" means the directors, senior officers and key Shareholders who have executed Voting and Support Agreements;

"**Tax Act**" means the Income Tax Act (Canada);

"**Teck**" has the meaning ascribed to it in "Appendix B – *Corporate Structure – Subsidiary and Parent*";

"**Transaction**" means the arm's length acquisition by the Company of all of the issued and outstanding common shares in the capital of Homestake from Fury as contemplated by the Purchase Agreement;

"**Transaction Resolution**" means the ordinary resolution of Shareholders approving the Transaction to be considered at the Meeting, the full text of which is set out in Appendix A to this Circular;

"**TSXV**" means the TSX Venture Exchange;

"**TSXV Conditional Approval**" means, in respect of the Transaction, the written conditional approval by the TSXV of the Transaction, subject only to the satisfaction of conditions acceptable to the parties in their discretion;

"**TSXV Policy 5.3**" means TSXV Corporate Finance Manual Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*;

"**UMS**" means Universal Mineral Services Ltd.;

"**VIF**" means voting instruction form;

"**Voting and Support Agreements**" means the voting and support agreements, entered into December 6, 2021, between Fury and each of the senior officers and directors of the Company, and certain key shareholders; and

"**Warrant Share**" has the meaning ascribed to it in *"*Appendix C – *Description of the Business of the Post-Closing Company – General Development of the Business".*

SUMMARY

The following is a summary of certain information contained in this Circular. Capitalized terms used in this summary have the meanings set forth under the heading "Glossary" above. This summary is not intended to be complete and is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, contained elsewhere in this Circular and the attached appendices. Shareholders should read the entire Circular, including the appendices.

The Meeting

The Meeting will be held at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8 Canada, on Tuesday, February 22, 2022 at 10:00 a.m. (Vancouver time), for the purposes set forth in the Notice of Meeting. At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the Transaction Resolution, the full text of which is set forth in Appendix A to this Circular. See "*General Information*" above and "*Particulars of Matters to be Acted Upon*" below.

In order to complete the Transaction, the Transaction Resolution must be approved by a simple majority of votes cast by or on behalf of the Shareholders in accordance with the requirements of the TSXV. See "*Overview of the Transaction – Regulatory Matters*" below.

The Record Date

Dolly Varden has fixed the close of business on January 13, 2022 as the Record Date, being the date for the determination of the Shareholders entitled to receive notice of, and vote at, the Meeting.

The Company

Dolly Varden is a mineral exploration company focused on exploration in northwestern British Columbia. Dolly Varden has two projects, the namesake Dolly Varden Project and the nearby Big Bulk copper-gold property. The Dolly Varden Project is considered to be highly prospective for hosting high-grade precious metal deposits, since it comprises the same structural and stratigraphic setting that host numerous other high-grade deposits (Eskay Creek, Brucejack). The Big Bulk property is prospective for porphyry and skarn style copper and gold mineralization similar to other such deposits in the region (Red Mountain, KSM, Red Chris).

Homestake

Homestake is a wholly-owned subsidiary of Fury and holds a 100% interest in the Homestake Ridge Project located in the Golden Triangle, British Columbia, and adjacent to the Dolly Varden Project.

For further information concerning the current business and operations of Homestake see Appendix B.

The Homestake Ridge Project

The Homestake Ridge Project covers 7,484.37 hectares in the Kitsault region of British Columbia and is located 32 km southeast of Stewart, BC, and approximately 32 km north-northwest of the tidewater communities of Alice Arm and Kitsault, BC. The Homestake Ridge Project's southern boundary is located approximately four kilometres from the Dolly Varden Project. The Homestake Ridge Project Report stated a current Mineral Resources Estimate for the Homestake Ridge Project that contains 165,993 ounces of gold and 1.8 million ounces of silver in the Indicated category (at an average grade of 7.02 g/t Au and 74.8 g/t Ag) and 816,719 ounces of gold and 17.8 million ounces of silver in the Inferred category (at an average grade of 4.58 g/t Au and 100.0 g/t Ag) within a 7,500 hectare land package located contiguous to and northwest of the Dolly Varden Project.

The Homestake Ridge Project Report has been filed by Dolly Varden with Canadian securities regulatory authorities and is available for review on the Company's profile on SEDAR at www.sedar.com. For a complete description of assumptions, qualifications, and procedures associated with the information in the Homestake Ridge Project Report, reference should be made to the full text of the report.

For further information regarding the Homestake Ridge Project see Appendix C and Exhibit 2 to Appendix C.

Fury

Fury is a Canadian-focused exploration and development company currently positioned in three mining regions across the country (including the Homestake Ridge Project). Led by a management team and board of directors with proven success in financing and developing mining assets, Fury plans to focus on its two remaining projects after completion of the Transaction.

Upon completion of the Transaction, Fury will be deemed to be a "Control Person" (as such term is defined in the policies of the TSXV) of the Company. See "*Overview of the Transaction*" below and Appendix C to this Circular for information concerning the Post-Closing Company.

The Transaction

On December 6, 2021, the Company and Fury entered into the Purchase Agreement pursuant to which the Company has agreed to acquire all of the outstanding common shares of Homestake, which holds a 100% interest in the Homestake Ridge Project, in exchange for a $5 million cash payment and the issuance of 76,504,590 Common Shares. Upon completion of the Transaction, Fury will own approximately 36.9% of the Common Shares of the Post-Closing Company on an outstanding basis. See "*Overview of the Transaction*" and "*The Purchase Agreement*" below.

At Closing of the Transaction, Dolly Varden and Fury have agreed to enter into Investor Rights Agreement pursuant to which Fury shall have the right to appoint two nominees to 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 Common Shares outstanding, Fury shall have the right to appoint one nominee to the Board. Additionally, the Common Shares issued to Fury shall be subject to a one-year hold period. The Investor Rights Agreement will also contain certain customary re-sale restrictions, voting and standstill conditions, and new-share-offering participation rights as agreed between Dolly Varden and Fury. See "*The Investor Rights Agreement*" below.

Dolly Varden Shareholder Approval

While the acquisition of Homestake itself does not require approval of Shareholders under applicable securities or corporate law, the policies of the TSXV provide that Shareholder approval is required for any transaction which would result in the creation of a new "Control Person" (as such term is defined in the policies of the TSXV). If the Transaction is completed, Fury will own approximately 36.9% of the Company on an outstanding basis upon completion of the Transaction. Accordingly, at the Meeting, Shareholders will be asked to approve the Transaction Resolution, the full text of which is set forth in Appendix A to this Circular. In order for the Transaction to be completed, the Transaction Resolution must be approved by at least a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

If the requisite Shareholder Approval in respect of the Transaction Resolution is not obtained at the Meeting, the Transaction, as described herein, will not be completed.

Effect of the Transaction on the Company

On completion of the Transaction, Dolly Varden will indirectly hold, through the acquisition of Homestake, a 100% interest in the Homestake Ridge Project, located adjacent to the Dolly Varden Project in the Golden Triangle, British Columbia.

For further information concerning the business and operations of the Post-Closing Company see Appendix C to this Circular.

Pro-Forma Financial Information

See Exhibit 3 to Appendix C for selected unaudited pro-forma condensed consolidated financial information of Dolly Varden as at and for the nine months ended September 30, 2021 and for the year ended December 31, 2020, after giving effect to the Transaction. Reference should be made, among other things, to Dolly Varden's audited annual financial statements for the years ended December 31, 2020 and 2019 and unaudited interim financial statements for the nine months ended September 30, 2021 and 2020, each of which is filed under Dolly Varden's company profile on SEDAR, and Homestake's audited annual consolidated financial statements for the years ended December 31, 2020 and 2019 and the unaudited interim consolidated financial statements for the nine months ended September 30, 2021 and 2020, which are attached hereto as Exhibits 1 and 2 to Appendix B.

The Pro-Forma Financial Statements are presented for illustrative purposes only and are not necessarily indicative of: (i) the operating or financial results that would have occurred had the Transaction actually occurred at the times contemplated by the notes to the Pro-Forma Financial Statements; or (ii) the results expected in future periods.

Background to the Transaction

The execution of the Purchase Agreement was the result of arm's length negotiations between the representatives and legal advisors of Dolly Varden and Fury. This Circular contains a summary of the material events which led to the negotiation of the Purchase Agreement and the meetings, negotiations, discussions and actions between the parties that preceded the execution and public announcement of the Transaction. See "*Overview of the Transaction – Background to the Transaction*" below.

Recommendation of the Board

After careful consideration the Board unanimously determined that the Transaction, to be effected pursuant to the Purchase Agreement, is in the best interests of the Company and is fair to the Shareholders. Accordingly, the Board has unanimously approved the Transaction and unanimously recommends that the Shareholders vote **FOR** the Transaction Resolution. See "*Overview of the Transaction – Recommendation of the Board*" below.

Reasons for the Recommendations of the Board

In making its recommendations the Board consulted with management as well as legal, financial and technical advisors and also reviewed a significant amount of financial and technical information relating to Homestake and the Homestake Ridge Project. The following disclosure includes forward-looking information that are based on certain assumption and subject to various risks. Readers are cautioned that actual results may vary. See "*Cautionary Note Regarding Forward-Looking Statements*" above and "*Risk Factors*" below.

In making its determinations and recommendations, the Board considered and relied upon a number of substantive factors, including, among others:

- **Landmark Combined Projects**: The combination of the Dolly Varden Project and the Homestake Ridge Project would solidify the combined projects as among the largest high-grade, undeveloped precious metal assets in Western Canada.
- **Project Synergies**: The consolidation of the Dolly Varden Project and the adjacent Homestake Ridge Project would allow for numerous potential co-development opportunities with capital and operating synergies.
- **Prospective Land Package**: Dolly Varden management considers the Homestake Ridge Project to be a highly prospective land package, with a potential to further add value through additional exploration.
- **Experienced Team**: Fury will have representation on the Board going forward in conjunction with a voluntary lock-up on the Consideration Shares it will receive pursuant to the Purchase Agreement and Fury's Board representatives are expected to make valuable contributions to Dolly Varden's Board.
- **No Financing Required**: The purchase price under the Purchase Agreement is to be satisfied primarily by the issuance of the Consideration Shares and does not require the Company to complete a financing.
- **Fairness Opinion**: The Board received the Fairness Opinion from Haywood to the effect that, as of the date thereof, and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, the consideration to be paid by Dolly Varden is fair, from a financial point of view, to the Company. See "*Overview of the Transaction – Fairness Opinion*" below.
- **Support of Directors, Officers and Significant Shareholders**: All of the directors and officers plus certain large shareholders of Dolly Varden have entered into Voting and Support Agreements pursuant to which, and subject to the terms of which, they have agreed, among other things, to vote their Common Shares in favour of the Transaction.

The Board also considered a number of factors and risks resulting from the Transaction including:

- As a result of the issuance of the Consideration Shares pursuant to the Transaction, Fury is expected to hold approximately 36.9% of the aggregate outstanding Common Shares. As a result, if the Transaction is completed, Shareholders will experience a significant degree of dilution in their ownership of the Company.
- The issuance of a significant number of Common Shares pursuant to the Transaction and related transactions could adversely impact the market price of the Common Shares. In addition, although Fury has agreed to a one-year contractual lock-up for the Consideration Shares, the expiry of the lock-up could result in sales of a significant number of Common Shares, which could negatively impact the trading price of the Common Shares.
- The risks to the parties if the Transaction is not completed, including the costs in resources and management attention in pursuing the Transaction and the restrictions on the conduct of business prior to the completion of the Transaction.

See "*Overview of the Transaction – Reasons for the Recommendations of the Board*" below for further reasons for the recommendation of the Board.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive, but includes select material information and factors considered in their respective consideration of the Transaction.

Fairness Opinion

Haywood was retained by Dolly Varden to, among other things, provide an assessment of and recommendation in respect of the fairness from a financial point of view of the consideration to be paid or received by Dolly Varden in connection with the Transaction.

On December 5, 2021, Haywood delivered to the Board its oral opinion, that, as of such date and based upon and subject to the assumptions, limitations and qualifications set forth in the Fairness Opinion, the consideration to be paid by Dolly Varden to Fury pursuant to the Purchase Agreement is fair, from a financial point of view, to the Company. The Fairness Opinion of Haywood dated December 6, 2021 and attached hereto as Appendix D confirms the oral opinion rendered by Haywood to the Board on December 5, 2021.

See "*Overview of the Transaction – Fairness Opinion*" below for further information regarding the Fairness Opinion, including information regarding the assumptions and qualifications related to the Fairness Opinion.

The full text of the Fairness Opinion which includes, among other things, the assumptions made, information reviewed and matters considered by Haywood in rendering the Fairness Opinion, as well as the limitations and qualifications that the Fairness Opinion is subject to, is attached as Appendix D and forms part of this Circular. Shareholders are urged to read the full text of the Fairness Opinion in its entirety. The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of such opinion. The Fairness Opinion does not constitute a recommendation to any Shareholder as to how such shareholder should vote in respect of the matters to be considered at the Meeting.

Regulatory Matters

While the Transaction itself does not require the approval of Shareholders under applicable securities or corporate laws, TSXV Policy 5.3 provides that shareholder approval is required for any acquisition which results in the creation of a new "Control Person". A "Control Person" (as such term is defined in the policies of the TSXV) is any person that holds (either individually or as a combination of persons) a sufficient number of securities of an issuer to affect materially the control of that issuer or holds more than 20% of the outstanding voting shares of an issuer, except where there is evidence showing that those voting securities do not materially affect the control of the issuer. TSXV policies also generally require that in the case of a transaction that will result in the creation of a new Control Person, the related information circular for such shareholder approval include sufficient details to permit shareholders to form a reasoned judgement concerning the transaction. The TSXV has enacted such policies given the relatively large measure of influence or control that a "Control Person" could have on the management and direction of an issuer.

In this case, if the Transaction is completed, Fury will hold approximately 36.9% of the issued and outstanding Common Shares (on a pro-forma basis) and as a result will become a "Control Person" of the Post-Closing Company under the policies of the TSXV. Accordingly, Shareholders are being asked to consider and vote upon the Transaction Resolution at the Meeting.

At Closing of the Transaction, Dolly Varden and Fury have agreed to enter into Investor Rights Agreement pursuant to which Fury shall have the right to appoint two nominees to 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 Common Shares outstanding, Fury shall have the right to appoint one nominee to the Board. In addition, Fury has agreed to certain matters that limit its ability to exert control over Dolly Varden following the completion of the Transaction, as provided for in the Investor Rights Agreement. Fury shall, until the earlier of the two-year anniversary of the Closing and the date on which it does not own any Common Shares, vote its Common Shares in accordance with the recommendation of Dolly Varden management at any Shareholders meeting other than in certain excluded matters or matters that are contrary to the terms of the Investor Rights Agreement. Separately from the annual Board-approved proxy circular, it will not make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote (as such terms are understood under applicable laws), or seek to advise or influence any other person with respect to the voting of any voting securities of the Company; or otherwise act, alone or in concert with others, to seek to control the management, Board or policies of the Company, other than as a result of its director nomination right. See "*The Investor Rights Agreement*" below.

The Common Shares are listed on the TSXV under the symbol "DV". In addition to the Shareholder Approval, the Company will apply to the TSXV to list the Common Shares issuable to Fury under the Transaction. It is a condition to Closing that TSXV Conditional Approval shall have been obtained and that Dolly Varden will have the approval of the TSXV to list the Common Shares to be issued pursuant to the customary listing conditions of the TSXV. The Company has received TSXV Conditional Approval, which is subject to a number of conditions including evidence of Shareholder Approval of the Transaction Resolution. See "*Overview of the Transaction – Regulatory Matters*" below.

Shareholders should be aware that the final approvals have not yet been given by the TSXV. Dolly Varden cannot provide any assurances that such approvals will be obtained.

Voting and Support Agreements

On December 6, 2021, the Supporting Shareholders entered into the Voting and Support Agreements with Fury. The Voting and Support Agreements set forth, among other things, the agreement of such Shareholders to vote their Common Shares in favour of the Transaction subject to the terms and conditions of the applicable Voting and Support Agreement. As of the Record Date, 23,974,856 of the outstanding Common Shares were subject to the Voting and Support Agreements, representing approximately 18% of the outstanding Common Shares.

The Voting and Support Agreements automatically terminate on the first to occur of the following: (i) the Closing; or (ii) the date, if any, that the Purchase Agreement is terminated in accordance with its terms. The Voting and Support Agreements can also be terminated by notice in writing if any of the representations or warranties of the other party under the Voting and Support Agreement becoming untrue or incorrect in any material respect, the other Party does not comply with any of its covenants or obligations under the Voting and Support Agreement or if the other party varies the terms of the Purchase Agreement in a materially adverse manner.

See "*Overview of the Transaction – Voting and Support Agreements*" below.

Risk Factors

Shareholders who vote in favour of the Transaction Resolution will be voting in favour of acquiring the Homestake Ridge Project from Fury for the consideration described herein and for the creation of Fury as a "Control Person" of the Company (as such term is defined in the TSXV policies). There are certain risk factors associated with the Transaction that should be carefully considered by Shareholders, including the fact that the Transaction may not be completed if, among other things, the Transaction Resolution is not approved at the Meeting or if the any other conditions precedent to the completion of the Transaction are not satisfied or waived, as applicable. Readers are cautioned that such risk factors are not exhaustive.

See *"Risk Factors*" below and in Appendix C to this Circular.

MANAGEMENT SOLICITATION

This Circular is furnished to you in connection with the solicitation of proxies by management of the Company for use at the Meeting of Shareholders to be held at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8 Canada, on Tuesday, February 22, 2022 at 10:00 a.m. (Vancouver time) and at any adjournments 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.

Attending the Meeting in Person

To mitigate risks related to the global COVID-19 (coronavirus) public health emergency to Shareholders, Company 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 is monitoring developments regarding COVID-19. In the event 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 directors or officers of the Company. **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 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

Registered Shareholders who are unable, or otherwise do not attend the Meeting in person, are requested to complete, date, sign and return the enclosed form 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) at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment or postponement thereof. In this case, assuming no adjournment, the proxy cut-off time is on Thursday, February 17, 2022 at 10:00 a.m. (Vancouver Time).

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

You may also vote by internet or by phone by following the instructions set out in the form of proxy.

Non-Registered Shareholders who receive these materials through their Nominee should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their Nominee.

Late proxies may be accepted or rejected by the Chair of the Meeting in their description, and the Chair is under no obligation to accept or reject any particular late proxy.

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, Computershare Investor Services Inc. (contact information above) at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chair of the Meeting on the day of the Meeting or any adjournment.

Only Registered Shareholders have the right to revoke a proxy. 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 in sufficient time in advance of the Meeting for your Nominee to arrange for such change and if necessary to revoke their proxy in accordance with the revocation procedures.

Non-Registered Holders

Only Shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting ("**Registered Shareholders**").

Most of our Shareholders are "non-registered" shareholders ("**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.

Pursuant to NI 54-101, Nominees, such as those listed above, are required to seek voting instructions from Non-Registered Shareholders in advance of shareholder meetings. Meeting materials sent to Non-Registered Shareholders (who have not waived their right to receive meeting materials) do not contain a from of proxy. Instead, pursuant to NI 54-101, they will likely contain a voting instruction form ("**VIF**"). The content of a VIF is almost identical to the content of a form of proxy. A VIF differs from the form of proxy insofar as its purpose is limited to instructing the Registered Shareholder (the Nominee) or the Company how to vote on behalf of the Non-Registered Shareholder. Without specific instructions, Nominees are prohibited from voting such Common Shares. Therefore, Non-Registered Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Every Nominee has its own mailing procedures and provides its own return instructions to clients. By returning a VIF in accordance with the instructions noted on it, a Non-Registered Shareholder is able to instruct to ensure that their Common Shares are voted at the Meeting.

A Non-Registered Shareholder who wishes to attend the Meeting and vote in person may write the name of the Non-Registered Shareholder in the place provided for that purpose on the VIF. **A Non-Registered Shareholder also has the right to appoint a person or company other than the persons designated in the form of proxy, who need not be a Shareholder, to attend the Meeting and act on behalf of the Non-Registered Shareholder. Unless prohibited by law, the person whose name is written in the space provided in the VIF will be appointed as proxy holder for the Non-Registered Shareholder and will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or this Circular.** A Non-Registered Shareholder should consult a legal advisor if the Non-Registered Shareholder wishes to modify the authority of the person to be appointed as proxy holder in any way.

There are two kinds of Non-Registered Shareholders. Non-Registered Shareholders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "**NOBOs**" or "**Non-Objecting Beneficial Owners**". Those Non-Registered Shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "**OBOs**" or "**Objecting Beneficial Owners**". Pursuant to NI 54-101, reporting issuers (such as Dolly Varden) can obtain a list of their NOBOs from Nominees for distribution of proxy-related materials directly to NOBOs.

In accordance with NI 54-101, we have elected to distribute copies of the Notice of Meeting, this Circular, and VIF directly to NOBOs and indirectly through Nominees for onward distribution to OBOs. As a result, NOBOs can expect to receive a scannable VIF from the Company's registrar and transfer agent, Computershare Investor Services Inc. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

By choosing to send these materials to you directly, the Company (and not the Nominees holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

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.

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 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.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares, of which 130,987,861 Common Shares were issued and outstanding as of the Record Date, being February 13, 2022. 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 under the heading "*Appointment of Proxyholders*" above. 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.

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. Hecla Canada Ltd. exercises control or direction over 13,869,729 Common Shares, representing 10.6% of the Common Shares issued and outstanding as of the Record Date; and

2. 2176423 Ontario Ltd., which is controlled or directed by Eric Sprott, owns 15,214,286 Common Shares, representing 11.6% of the Common Shares outstanding as of the Record Date. Eric Sprott, through direct or indirect means, owns, controls or directs a total of 22,183,982 Common Shares, representing a total of 16.9% of the issued and outstanding Common Shares of the Company.

The issuance of Common Shares to Fury in connection with the Transaction will trigger the anti-dilution provisions of the Ancillary Rights Agreement between the Company and Hecla. Pursuant to the Ancillary Rights Agreement, Hecla is entitled to acquire such number of Common Shares so as to maintain its pro-rata equity interest in Dolly Varden. At this time, Hecla has not provided feedback regarding whether it will elect to exercise its pro rata rights under the Ancillary Rights Agreement. If Hecla elected to exercise its pro rate rights in full, based on the number of Common Shares outstanding as of the date hereof, it would be entitled to acquire up to 9,126,006 additional Common Shares at a price of $0.588 per Common Share in connection with the completion of the Transaction. Such issuance would be in addition to the Common Shares issuable to Fury.

PARTICULARS OF MATTERS TO BE ACTED UPON

At the Meeting, Shareholders will be asked to approve the Transaction Resolution, the full text of which is set forth in Appendix A to this Circular. While the Transaction itself does not require the approval of Shareholders under applicable securities or corporate law, TSXV Policy 5.3 provides that shareholder approval is required for any acquisition which results in the creation of a new "Control Person" (as such term is defined in the policies of the TSXV). If the Transaction is completed, Fury, will hold approximately 36.9% of the issued and outstanding Common Shares (on a pro-forma basic basis) and as a result will become a "Control Person" of the Post-Closing Company under the policies of the TSXV. Accordingly, Shareholders are being asked to consider and vote upon the Transaction Resolution at the Meeting.

In order for the Transaction to be completed, the Transaction Resolution must be approved by at least a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

If the requisite Shareholder Approval in respect of the Transaction Resolution is not obtained at the Meeting, the Transaction, as described herein, will not be completed.

The Board has unanimously determined that the Transaction is in the best interests of the Company, has unanimously approved the Transaction and the Purchase Agreement and unanimously recommends that Shareholders vote FOR the Transaction Resolution.

The terms of the Transaction, including the recommendations of the Board, are described in detail below. See "*Overview of the Transaction*" below.

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.

OVERVIEW OF THE TRANSACTION

On December 6, 2021, the Company announced that it had entered into the Purchase Agreement with Fury to acquire all of the issued and outstanding shares of Fury's wholly-owned subsidiary, Homestake, which currently owns the Homestake Ridge Project. As consideration for all of the issued and outstanding shares of Homestake, Dolly Varden has agreed to pay to Fury a $5 million cash payment and to issue to Fury 76,504,590 Common Shares at a deemed issue price of approximately $0.5882 per Common Share for an aggregate deemed value of $45 million. Upon Closing of the Transaction, Fury will own approximately 36.9% of Dolly Varden on an outstanding basis.

In addition, the Purchase Agreement provides that, on Closing of the Transaction, the Company and Fury will enter into the Investor Rights Agreement, pursuant to which: (i) the Consideration Shares issued to Fury shall be subject to a one-year hold period; (ii) for as long as Fury, together with its Affiliates (as defined in the Investor Rights Agreement) owns at least 10% of the issued and outstanding Common Shares, Fury will be entitled to designate one individual for election or appointment to the Board; and (iii) for as long as Fury, together with its Affiliates owns at least 20% of the issued and outstanding Common Shares, Fury will be entitled to designate two individuals for election or appointment to the Board, and the number of directors constituting the full Board shall not exceed eight. Fury will be granted customary new-share-offering participation rights under the Investor Rights Agreement.

Background to the Transaction

Dolly Varden's management and technical team regularly consider and investigate opportunities to enhance value for the Shareholders, including monitoring the activities and assets of various industry participants in order to identify possible strategic transactions. The execution of the Purchase Agreement was the result of arm's length negotiations between Dolly Varden and Fury, their respective boards of directors, and their respective legal and financial advisors.

In late May 2021 representatives of Dolly Varden and Fury met to discuss a potential transaction for the acquisition of Fury's Homestake Ridge Project by Dolly Varden. Since both companies carry on mineral exploration businesses in the Golden Triangle region of British Columbia, with neighbouring mining assets, there was an alignment in corporate objectives and potential synergies available.

On May 28, 2021, Dolly Varden and Fury entered into reciprocal confidentiality agreements to facilitate the exchange of confidential information for the purpose of conducting due diligence reviews. At that time, Shawn Khunkhun, Chief Executive Officer, President and Director of Dolly Varden, spoke again to Ivan Bebek, Chairman and Director of Fury. Both parties expressed interest in further discussions regarding a mutually beneficial transaction and further periodic discussions were held between Ivan Bebek, Mike Timmins (former CEO of Fury) and Shawn Khunkhun, along with certain advisors and representatives of each party. At that time, Dolly Varden discussed an engagement with Haywood to provide certain advisory services in respect of a potential transaction.

In late May and early June 2021, both companies and their representatives also began initial negotiations of a letter of intent for the acquisition by Dolly Varden of Fury's Homestake Ridge Project.

In early June 2021, Dolly Varden and Fury entered into an initial non-binding letter of intent under which they agreed to a period of exclusivity for two weeks to facilitate in depth due diligence reviews leading to a potential acquisition transaction. However, due to market conditions in June 2021 and certain unresolved business matters, a definitive agreement was not reached in the initial two-week exclusivity period and the non-binding letter of intent expired.

On November 5, 2021, members of Dolly Varden's management met again with management of Fury and advanced discussions regarding business matters that had been outstanding from the previous exclusivity period. Negotiations began again in earnest towards the negotiation of a transaction whereby Dolly Varden would acquire the Homestake Ridge Project. On November 16, 2021, a new non-binding letter of intent was entered into with a two-week exclusivity period. The parties subsequently extended the exclusivity period pursuant to an amending agreement on November 30, 2021.

Between November 5, 2021 and December 6, 2021, the management teams of Dolly Varden and Fury met multiple times by telephone to discuss diligence highlights and to further negotiate a mutually beneficial agreement.

On November 17, 2021, Dolly Varden finalized its agreement with Haywood to provide certain financial advisory services and to provide a fairness opinion regarding the Transaction, and Haywood was formally engaged.

Over the following weeks, the management teams and legal and other professional advisors of both Dolly Varden and Fury held several video meetings and phone calls to discuss certain due diligence matters, transaction structure issues and the terms of the Purchase Agreement, Investor Rights Agreement and the Voting and Support Agreements.

During the period between November 8, 2021 and December 5, 2021, the Board met two times to review the results of Dolly Varden's due diligence review of Homestake and to review the proposed terms of the overall transaction. The Board had also met informally on other occasions to review project information and consult external technical advisors. Between June 2021 and December 5, 2021, the Board was provided with extensive materials summarizing the results of the technical, legal, financial and tax due diligence conducted to date together with information on the current structure and proposed terms for the overall transaction.

On December 5, 2021, the Board met, and following discussion, and after consultation with its legal and financial advisors, the Board unanimously resolved that:

- the Transaction and the Purchase Agreement are in the best interests of the Company, and are fair to the Shareholders;
- the Transaction is approved;
- the Purchase Agreement and Investor Rights Agreement, substantially in the forms presented to the Board, are approved and the Company is authorized to enter into, deliver and perform all of its obligations under the Purchase Agreement and Investor Rights Agreement; and
- the Board recommends that the Dolly Varden Shareholders vote in favour of the Transaction Resolution.

The Purchase Agreement and the other definitive transaction documentation were finalized and executed the following day. A joint news release announcing the Transaction was issued by Dolly Varden and Fury on December 6, 2021.

Reasons for the Recommendations of the Board

In making its recommendations the Board consulted with management as well as, legal, financial and technical advisors. Each also reviewed a significant amount of financial and technical information relating to Homestake and the Homestake Ridge Project and considered a number of factors, including those listed below. The following disclosure includes forward-looking information that are based on certain assumptions and subject to various risks. Readers are cautioned that actual results may vary. See "*Cautionary Note Regarding Forward-Looking Statements*" above and "*Risk Factors*" below.

In making its determinations and recommendations, the Board considered and relied upon a number of substantive factors, including, among others:

- ***Landmark Combined Projects***: The combination of the Dolly Varden Project and the Homestake Ridge Project would solidify the combined projects as among the largest high-grade, undeveloped precious metal assets in Western Canada with an aggregate mineral resource base of 34.7 million ounces of silver and 166 thousand ounces of gold in the indicated category and 29.3 million ounces of silver and 817 thousand ounces of gold in the inferred category.

- ***Project Synergies***: The consolidation of the Dolly Varden Project and the adjacent Homestake Ridge Project would allow for numerous potential co-development opportunities with capital and operating synergies.
- ***Prospective Land Package***: Dolly Varden management considers the Homestake Ridge Project to be a highly prospective land package, with a potential to further add value through additional exploration along a combined 15 km strike-length within a 163 km^2 consolidated land package.
- ***Experienced Team***: Fury has an established and highly experienced management team with projects across Canada. Fury will have representation on the Board and Dolly Varden technical committee going forward in conjunction with a voluntary lock-up on the Consideration Shares it will receive pursuant to the Purchase Agreement. It is expected that Fury will nominate Tim Clark, CEO and Director of Fury and Michael Henrichsen, Senior Vice President, Exploration of Fury, bringing years of valuable corporate finance and geological experience to the Board.
- ***No Financing Required***: The purchase price under the Purchase Agreement is to be satisfied primarily by the issuance of the Consideration Shares and does not require the Company to complete a financing.
- ***Fairness Opinion***: The Board received the Fairness Opinion from Haywood to the effect that, as of the date thereof, and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, the consideration to be paid by Dolly Varden is fair, from a financial point of view, to the Company. See "*Overview of the Transaction – Fairness Opinion*" below.
- ***Shareholder Approvals***: The Board has considered the fact that the Transaction Resolution must be approved by the Shareholders at the Meeting by a simple majority of votes cast at the Meeting by or on behalf of the Shareholders in accordance with the requirements of the TSXV.
- ***Support of Directors, Officers and Significant Shareholders*** All of the directors and officers plus certain large shareholders of Dolly Varden have entered into Voting and Support Agreements pursuant to which, and subject to the terms of which, they have agreed, among other things, to vote their Common Shares in favour of the Transaction. Further, following completion of the acquisition, the Company will be supported by a strong shareholder base characterized by significant insider, industry and institutional ownership.
- ***Ability to Respond to Unsolicited Offers***. Subject to the terms of the Purchase Agreement, the Board remains able to respond to any unsolicited bona fide written proposal that, having regard for all of the terms and conditions of such proposal, if consummated in accordance with its terms, may lead to a transaction more favourable to Dolly Varden as the case may be from a financial point of view than the Transaction.

The Board also considered a number of factors and risks resulting from the Transaction including:

- As a result of the issuance of the Consideration Shares pursuant to the Transaction, Fury is expected to hold approximately 36.9% of the aggregate outstanding Common Shares. As a result, if the Transaction is completed, Shareholders will experience a significant degree of dilution in their ownership of the Company. Upon completion of the Transaction, and based on the number of Common Shares outstanding as of January 21, 2022, public Shareholders (meaning Shareholders other than Fury) are expected to own approximately 63.1% of the issued and outstanding Common Shares of the Company after completion of the Transaction.
- The issuance of a significant number of Common Shares pursuant to the Transaction and related transactions could adversely impact the market price of the Common Shares. In addition, although Fury has agreed to a one-year contractual lock-up for the Consideration Shares, the expiry of the lock-

up could result in sales of a significant number of Common Shares, which could negatively impact the trading price of the Common Shares.

- The risks to the parties if the Transaction is not completed, including the costs in resources and management attention in pursuing the Transaction and the restrictions on the conduct of business prior to the completion of the Transaction.
- The restrictions on soliciting third parties to make a Competing Proposal prior to completion of the Transaction in the Purchase Agreement.
- The conditions to the completion of the Transaction.
- The rights of either party to terminate the Purchase Agreement under certain limited circumstances.
- The potential risk of not obtaining certain consents from third parties required to complete the Transaction, including from Shareholders, the TSXV, or any other third party whose consent is required.
- The potential negative effect on either party's relationship with its stakeholders, including customers, suppliers, and employees.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive, but includes the material information and factors considered in their respective consideration of the Transaction. In view of the variety of factors and the amount of information considered by the Board in their evaluation of the Transaction, they did not find it practicable to, nor did they, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching their respective conclusions and recommendations. The recommendations of the Board were made after consideration of all the above-noted and other factors and in light of their respective knowledge of the business, financial condition and prospects of Dolly Varden, and were based upon the advice of their financial, technical and legal advisors. In addition, individual members of the Board may have assigned different weights to different factors in reaching their own conclusion as to the fairness of the Transaction.

Recommendation of the Board

After careful consideration, including a thorough review of the Purchase Agreement, the Investor Rights Agreement and the Fairness Opinion, as well as a thorough review of other matters, including those discussed in this Circular, the Board unanimously determined that the Transaction, to be effected pursuant to the Purchase Agreement, is in the best interests of the Company and is fair to the Shareholders. Accordingly, the Board has unanimously approved the Transaction and unanimously recommends that the Shareholders vote **FOR** the Transaction Resolution.

All members of the Board that hold Common Shares will vote their Common Shares, in their capacity as Shareholders, in favour of the Transaction Resolution.

Fairness Opinion

Haywood was retained by Dolly Varden to, among other things, provide an assessment of and recommendation in respect of the fairness from a financial point of view of the consideration to be paid or received by Dolly Varden in connection with the Transaction.

On December 5, 2021, Haywood delivered to the Board its oral opinion, that, as of such date and based upon and subject to the assumptions, limitations and qualifications set forth in the Fairness Opinion, the consideration to be paid by Dolly Varden to Fury pursuant to the Purchase Agreement is fair, from a financial point of view, to Dolly Varden. The Fairness Opinion of Haywood dated December 6, 2021 and attached hereto as Appendix D confirms the oral opinion rendered by Haywood to the Board on December 5, 2021.

The Fairness Opinion was provided to the Board for its exclusive use only in considering the Transaction and may not be used or relied upon by any other person or for any other purpose. Haywood has not prepared a formal valuation or appraisal of Dolly Varden, Fury or Homestake, or any of their securities or assets, and the Fairness Opinion should not be construed as such.

The terms of the engagement letter between Haywood and Dolly Varden provides that Haywood will receive a fee for its services, including (i) a fixed fee for the delivery of the Fairness Opinion, which is not contingent, in whole or in part, on the successful completion of the Transaction; and (ii) a separate fee that is contingent on the successful completion of the Transaction. Haywood is also to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, Dolly Varden has agreed to indemnify Haywood, in certain circumstances, against certain liabilities that might arise out of its engagement.

The Fairness Opinion is given as of its date and Haywood disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of Haywood after the date of its opinion. Without limiting the foregoing, if Haywood learns that any of the information it relied on in preparing the Fairness Opinion was inaccurate, incomplete or misleading in any material respect, Haywood reserves the right to change or withdraw the Fairness Opinion.

The full text of the Fairness Opinion which includes, among other things, the assumptions made, information reviewed and matters considered by Haywood in rendering the Fairness Opinion, as well as the limitations and qualifications that the Fairness Opinion is subject to, is attached as Appendix D and forms part of this Circular. Shareholders are urged to read the full text of the Fairness Opinion in its entirety. The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of such opinion. The Fairness Opinion does not constitute a recommendation to any Shareholder as to how such shareholder should vote in respect of the matters to be considered at the Meeting.

Regulatory Matters

While the Transaction itself does not require the approval of Shareholders under applicable securities or corporate laws, TSXV Policy 5.3 provides that shareholder approval is required for any acquisition which results in the creation of a new “Control Person”. A “Control Person” (as such term is defined in the policies of the TSXV) is any person that holds (either individually or as a combination of persons) a sufficient number of securities of an issuer to affect materially the control of that issuer or holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that those voting securities do not materially affect the control of the issuer. TSXV policies also generally require that in the case of a transaction that will result in the creation of a new Control Person, the related information circular for such shareholder approval include sufficient details to permit shareholders to form a reasoned judgement concerning the transaction. The TSXV has enacted such policies given the relatively large measure of influence or control that a “Control Person” could have on the management and direction of an issuer.

In this case, if the Transaction is completed, Fury will hold approximately 36.9% of the issued and outstanding Common Shares (on a pro-forma basis) and as a result will become a “Control Person” of the Post-Closing Company under the policies of the TSXV. Accordingly, Shareholders are being asked to consider and vote upon the Transaction Resolution at the Meeting.

At Closing of the Transaction, Dolly Varden and Fury have agreed to enter into Investor Rights Agreement pursuant to which Fury shall have the right to appoint two nominees to 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 Common Shares outstanding, Fury shall have the right to appoint one nominee to the Board. In addition, Fury has agreed to certain matters that limit its ability to control Dolly Varden following the completion of the Transaction. Fury shall, until the earlier of the two-year anniversary of the Closing and the date on which it does not own any Common Shares, vote its Common Shares in accordance with the recommendation of Dolly Varden management at any Shareholders meeting other than in certain excluded matters or matters that are contrary to the terms of the Investor Rights Agreement. Separately from the annual Board-approved proxy circular, it will not make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote (as such terms are understood under applicable laws), or seek to advise or influence any other person with respect to the voting of any voting securities of the Company; or otherwise act, alone or in concert with others, to seek to control the management, Board or policies of the Company, other than as a result of its director nomination right. See "*The Investor Rights Agreement*" below.

The Common Shares are listed on the TSXV under the symbol "DV". In addition to the Shareholder Approval the Company will apply to the TSXV to list the Common Shares issuable to Fury under the Transaction. It is a condition to Closing that TSXV Conditional Approval shall have been obtained and that Dolly Varden will have the approval of the TSXV to list the Common Shares to be issued, pursuant to the customary listing conditions of the TSXV. The Company has received TSXV Conditional Approval, which is subject to a number of conditions including evidence of Shareholder Approval of the Transaction Resolution.

Shareholders should be aware that the final approvals have not yet been given by the TSXV. Dolly Varden cannot provide any assurances that such approvals will be obtained.

Voting and Support Agreements

On December 6, 2021, the Supporting Shareholders entered into the Voting and Support Agreements with Fury. The Voting and Support Agreements set forth, among other things, the agreement of such Shareholders to vote their Common Shares in favour of the Transaction subject to the terms and conditions of the applicable Voting and Support Agreement. As of the Record Date, 23,974,856 of the outstanding Common Shares were subject to the Voting and Support Agreements, representing approximately 18% of the outstanding Common Shares.

Subject to certain limitations, each Supporting Shareholder has agreed to vote his or her owned (directly or indirectly) Common Share to the extent he or she is so entitled, in favour of the Transaction Resolution and against any other matter that could reasonably be expected to delay, prevent or frustrate the completion of the Transaction. Under the terms of the Voting and Support Agreements, the Parties have acknowledged that any Supporting Shareholder who is also a director or officer of Dolly Varden is bound under the Voting and Support Agreements only in such person's capacity as a Shareholder, and not in his or her capacity as a director or officer.

The Voting and Support Agreements automatically terminate on the first to occur of the following: (i) the Closing; or (ii) the date, if any, that the Purchase Agreement is terminated in accordance with its terms. The Voting and Support Agreements can also be terminated by notice in writing if any of the representations or warranties of either party under the Voting and Support Agreement becoming untrue or incorrect in any material respect, the other party does not comply with any of its covenants or obligations under the Voting and Support Agreement or if the other party varies the terms of the Purchase Agreement in a materially adverse manner.

THE PURCHASE AGREEMENT

The following is a summary only of certain terms of the Purchase Agreement and is qualified in its entirety by the full text of the Purchase Agreement, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. Capitalized terms used but not otherwise defined in this section shall have the applicable meanings as set out in the Purchase Agreement.

On December 6, 2021, Dolly Varden and Fury entered into the Purchase Agreement, pursuant to which, subject to certain conditions, Dolly Varden will acquire all of the outstanding shares of Homestake. The purchase price payable by Dolly Varden for the Homestake Shares will by satisfied by a $5 million cash payment and the issuances of 76,504,590 Common Shares to Fury at a deemed issue price of approximately

$0.5882 per Common Share for an aggregate deemed value of $45 million. Upon completion of the Transaction, Fury will own approximately 36.9% of the Post-Closing Company on an outstanding basis.

It is also an integral part of the consideration under the Purchase Agreement that the Company and Fury enter into the Investor Rights Agreement at Closing. See "*The Investor Rights Agreement*" below.

Representations and Warranties

Each of the Company and Fury have made certain customary representations and warranties in the Purchase Agreement, including representations and warranties related to their due organization and authorization to enter into the Purchase Agreement. Fury has also made certain representations and warrants in respect of Homestake including, representations and warranties in respect of the Homestake Ridge Project and Fury's ownership of the Homestake Shares, the absence of certain changes with respect to Homestake since December 31, 2020, and certain representations regarding environmental and other matters. The Company has also made certain representations and warranties particular to Dolly Varden in the Purchase Agreement including representations and warranties regarding the capitalization of the Company, as well as the Company's reporting issuer status and stock exchange listing.

Covenants

Each of the Company and Fury has given usual and customary mutual covenants for an agreement of the nature of the Purchase Agreement, including a mutual covenant to use their respective commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to their respective obligations under the Purchase Agreement, to operate their respective businesses in the ordinary course until Closing of the Transaction, to co-operate with the other party in connection with the Purchase Agreement and to take all other action, or cause to be done, all things necessary, proper or advisable under applicable laws to consummate the Transaction.

Dolly Varden has covenanted in favour of Fury to not solicit and immediately cease and terminate any solicitation, encouragement, discussions, negotiations or other activities in the furtherance of any potential Competing Proposal by a third party. In the event that the Transaction Resolution fails to pass at the Meeting following the announcement of a Competing Proposal, and provided that the Competing Proposal is ultimately effected, Dolly Varden will be obliged to pay Fury a fee of $2,000,000 upon its completion.

The Company has also given customary covenants in respect to the holding of the Meeting, including a covenant to use commercially reasonable efforts to solicit proxies in favour of the Transaction Resolution. Fury has covenanted to provide the necessary information concerning Fury and Homestake that is required to be included in this Circular. The Company has also agreed, at its own expense, to commission a new technical report with respect to the Homestake Ridge Project for the purpose of supporting its application to the TSXV.

Conditions of Closing

The obligation of the Company to consummate the Transaction are subject to the satisfaction of certain closing conditions including the following conditions precedent:

(a) The representations and warranties of Fury shall be true and correct in all material respects, as at the Closing (except for the representations and warranties with respect to the capitalization and subsidiaries of Homestake or such representations and warranties as are qualified by references to materiality, which shall be true and correct in all respects, and such representations and warranties that are made as of a specified date, the accuracy of which shall be determined as of that specified date).

(b) Fury shall have performed and complied with in all material respects all terms, conditions covenants, obligations and agreements of Fury required or contemplated by the Purchase Agreement and delivered or caused to be delivered all deliveries contemplated by the Purchase Agreement.

(c) The Shareholders will have passed all resolutions as are required under applicable law or the constating documents of the Company to permit the completion of the Transaction, including the Transaction Resolution.

(d) All Consents, including the TSXV Conditional Approval, shall have been obtained on terms acceptable to the Company, and all Consents under the Purchase Agreement will be in force and will not have been modified.

(e) There shall have been no order or injunction issued or threatened in writing enjoining, preventing or restraining the completion of the Transactions contemplated by the Purchase Agreement, provided that if any such proceeding is commenced or threatened by any person other than a Governmental Authority, such proceeding has merit in the opinion of experienced legal counsel.

(f) No law shall have been enacted by a Governmental Authority that has the effect of (i) making any of the Transactions illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of the Transaction.

(g) No Material Adverse Effect shall have occurred in respect of Homestake, including the Homestake Ridge Project, since the date of the Purchase Agreement.

The obligations of Fury to consummate the Transaction are subject to the satisfaction of certain closing conditions including the following conditions precedent:

(a) The representations and warranties of Dolly Varden shall be true and correct in all material respects, as at the Closing (except for such representations and warranties as are qualified by references to materiality, which shall be true and correct in all respects, and such representations and warranties as are made as of a specified date, the accuracy of which shall be determined as of that specified date).

(b) Dolly Varden shall have performed and complied with in all material respects all terms, conditions covenants, obligations and agreements of Dolly Varden required or contemplated by the Purchase Agreement and delivered or caused to be delivered all deliveries contemplated by the Purchase Agreement.

(c) Dolly Varden shall have paid the cash portion of the purchase price and issued the Consideration Shares to Fury.

(d) The Shareholders will have passed all resolutions as are required under applicable law or the constating documents of the Company to permit the completion of the Transaction, including the Transaction Resolution and TSXV Conditional Approval shall have been obtained.

(e) There shall have been no order or injunction issued or threatened in writing enjoining, preventing or restraining the completion of the Transactions contemplated by the Purchase Agreement, provided that if any such proceeding is commenced or threatened by any person other than a Governmental Authority, such proceeding has merit in the opinion of experienced legal counsel.

(f) No law shall have been enacted by a Governmental Authority that has the effect of (i) making any of the Transactions illegal, or (ii) otherwise prohibiting, preventing or restraining the consummation of the Transaction.

(g) No Material Adverse Effect shall have occurred in respect of Homestake, including the Homestake Ridge Project, since the date of the Purchase Agreement.

(h) Dolly Varden shall have taken all such action required for the appointment of two persons nominated by Fury as directors of the Company pursuant to the Investor Rights Agreement.

Indemnification

Fury has agreed to indemnify Dolly Varden and certain related parties and save them fully harmless against, and to reimburse or compensate them for, any Damages (as defined in the Purchase Agreement) arising from, or in connection with:

(a) any breach or inaccuracy of any representation or warranty of Fury contained in the Purchase Agreement (including the representations and warranties with respect to the capitalization and subsidiaries of Homestake, among others (the "**Fury Fundamental Representations**")) or in any agreement or certificate delivered pursuant thereto;
(b) any breach or any non-fulfilment of any covenant or agreement on the part of Fury contained in the Purchase Agreement or in any agreement or certificate delivered pursuant thereto;
(c) taxes relating to any pre-Closing tax period, or any breach or inaccuracy of the tax related representations or warranties of the Vendor contained in the Purchase Agreement;
(d) the pre-Closing reorganization to be completed by Fury and Homestake with respect to certain miscellaneous assets and rights, to be completed as required to ensure that Homestake is free of indebtedness and assets unrelated to the Homestake Ridge Project; and
(e) any misrepresentation or alleged misrepresentations contained in any information included in the Circular that was provided by Fury.

The Company has agreed to indemnify Fury and certain related parties and save them fully harmless against, and to reimburse or compensate them for, any Damages arising from, or in connection with:

(a) any breach or inaccuracy of any representation or warranty of Dolly Varden contained in the Purchase Agreement (including the representations and warranties with respect to the capitalization and authorization of Dolly Varden ("**DV Fundamental Representations**")) or in any agreement or certificate delivered pursuant thereto; and
(b) any breach or any non-fulfilment of any covenant or agreement on the part of Dolly Varden contained in the Purchase Agreement or in any agreement or certificate delivered pursuant thereto.

Limitations on Indemnification

The obligation of Fury to indemnify Dolly Varden pursuant to the Purchase Agreement (other than in relation to losses with respect to a claim involving fraud or fraudulent misrepresentation, or any claim for a breach or inaccuracy of any of the Fury Fundamental Representations) is applicable only if the aggregate of all those losses suffered or incurred by Dolly Varden is in excess of $250,000, and then only to the extent of such excess. Fury shall have no obligation to make any payment for losses for indemnification or otherwise in excess of $50 million.

The obligation of Dolly Varden to indemnify Fury pursuant to the Purchase Agreement (other than in relation to losses with respect to a claim involving fraud or fraudulent misrepresentation, or any claim for a breach or inaccuracy of any of the DV Fundamental Representations) is applicable only if the aggregate of all those losses suffered or incurred by Fury is in excess of $250,000 and then only to the extent of such excess. Dolly Varden shall have no obligation to make any payment for losses for indemnification or otherwise in excess of $45 million.

Dolly Varden must bring any claim for indemnification against Fury for a breach of its environmental representations and warranties within 36 months of the Closing, and with respect to all other breaches of Fury's representations and warranties within 18 months of Closing. Fury must bring any claim for indemnification against Dolly Varden within 18 months of Closing. The Purchase Agreement does not impose a time limit on bringing an indemnification claim in the circumstances of fraud or fraudulent misrepresentation.

Termination of the Purchase Agreement

The Purchase Agreement may be terminated prior to the Closing as follows:

(a) by the mutual written consent of the Company and Fury;

(b) by written notice from either the Company or Fury to the other party if for any reason other than the default or breach of the Purchase Agreement by the party seeking termination, the Closing has not occurred or is incapable of occurring by April 15, 2022, which date may be extended by written agreement of both parties (the "**Outside Date**");

(c) by the Company upon written notice to Fury:

   a. if there has been a material breach of the Purchase Agreement by Fury and as a result a closing condition in favour of the Company would not be satisfied by the Outside Date, and any such breach of a covenant is not cured (as applicable); or

   b. there has occurred a Material Adverse Effect (as defined in the Purchase Agreement) in respect of Fury; or

(d) by Fury upon written notice to the Company if:

   a. if there has been a material breach of the Purchase Agreement by the Company and as a result a closing condition in favour of Fury would not be satisfied by the Outside Date, and any such breach of a covenant is not cured (as applicable); or

   b. there has occurred a Material Adverse Effect (as defined in the Purchase Agreement) in respect of the Company.

THE INVESTOR RIGHTS AGREEMENT

The following is a summary only of certain terms of the Investor Rights Agreement and is qualified in its entirety by the full text of the Investor Rights Agreement, a copy of which is attached as Appendix C to the Purchase Agreement which is available under the Company's profile on SEDAR at www.sedar.com. Capitalized terms used but not otherwise defined in this section shall have the applicable meanings as set out in the Investor Rights Agreement.

Upon Closing of the Transaction, the Company and Fury will enter into the Investor Rights Agreement pursuant to which: (i) the Consideration Shares issued to Fury shall be subject to a one-year hold period; (ii) for as long as Fury, together with its Affiliates (as defined in the Investor Rights Agreement) owns at least 10% of the issued and outstanding Common Shares, Fury will be entitled to designate one individual for election or appointment to the Board; and (iii) for as long as Fury, together with its Affiliates owns at least 20% of the issued and outstanding Common Shares, Fury will be entitled to designate two individuals for election or appointment to the Board, and the number of directors constituting the full Board shall not exceed eight. Fury will be granted customary new-share-offering participation rights under the Investor Rights Agreement.

Nomination Right and Technical Committee

For so long as Fury and its Affiliates owns at least 10% of the issued and outstanding Common Shares, Fury shall be entitled (but not required) to nominate one individual to the Board and if Fury and its Affiliates own at least 20% of the issued and outstanding Common Shares, Fury shall be entitled (but not required) to nominate two individuals to the Board. The number of directors on the Board shall not exceed eight.

If Fury elects to exercise this right, the Board shall take all reasonable steps to the extent permitted without obtaining Shareholder approval to cause the relevant nominee(s) to be appointed to the Board. Such nominee(s) will also be included as directors nominated to stand for election at a Shareholder's meeting.

Additionally, for so long as Fury owns at least 10% of the Common Shares, the Company shall form a technical committee for the purpose of providing non-binding advice and recommendations to the Board and Fury shall be entitled to appoint one member to the committee.

Pre-Emptive or Participation Right

So long as Fury owns at least 10% of the issued and outstanding Common Shares, Fury will have the right to maintain its percentage ownership of the Company in the event of any financing of equity securities for cash consideration. In addition, Fury will have certain "top-up" rights in the event of the issuance of equity securities in connection with stock option plans, the exercise or conversion of convertible securities, asset acquisitions and business combination transactions. In the event that Dolly Varden undertakes such an equity financing, Dolly Varden must provide notice to Fury, which includes information prescribed by the Investor Rights Agreement at least five days prior to the closing of such equity financing.

Standstill

Pursuant to the terms and conditions of the Investor Rights Agreement, Fury and its Affiliates shall not, until the earlier of the three-year anniversary of the Closing and the date on which it owns less than 10% of the Common Shares, (i) acquire additional securities of Dolly Varden (except in accordance with its pre-emptive right), or (ii) participate in any proxy solicitation or seek to control management or the Board of the Company (except to the extent of exercising its Board nomination right).

Voting

Pursuant to the terms and conditions of the Investor Rights Agreement, Fury shall, until the earlier of the two-year anniversary of the Closing and the date on which it does not own any Common Shares, vote its Common Shares in accordance with the recommendation of Dolly Varden management at any Shareholders meeting other than in certain excluded matters or matters that are contrary to the terms of the Investor Rights Agreement. Fury has also agreed that, separately from the annual Board-approved proxy circular, it will not make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote (as such terms are understood under applicable laws), or seek to advise or influence any other person with respect to the voting of any voting securities of the Company; or otherwise act, alone or in concert with others, to seek to control the management, Board or policies of the Company, other than as a result of its two director nomination right. See "*Nomination Right and Technical Committee*" above.

Restriction on Disposition of Common Shares

Without the prior written consent of Dolly Varden, Fury will not, and shall cause its affiliates to not, sell or trade their Consideration Shares until after the one-year anniversary of Closing. Fury shall also not sell any of the Consideration Shares to any purchaser known, or reasonably ought to be known, to be a precious metal mining company.

Anytime after the one-year anniversary of the Closing, Fury is entitled to sell the Consideration Shares subject to certain volume limitations set out in the Investor Rights Agreement and so long as it provides Dolly Varden with the opportunity to arrange for preferred purchasers of such Consideration Shares for sale.

INFORMATION CONCERNING HOMESTAKE

Homestake is a wholly-owned subsidiary of Fury. Homestake holds a 100% interest in the Homestake Ridge Project located in the Golden Triangle, British Columbia, and adjacent to the Dolly Varden Project.

Shareholders who vote in favour of the Transaction Resolution will be voting in favour of Dolly Varden acquiring Homestake and indirectly acquiring Homestake's 100% interest in the Homestake Ridge Project.

For further information concerning the current business and operations of Homestake see Appendix B.

INFORMATION CONCERNING THE POST-CLOSING COMPANY

On completion of the Transaction, Dolly Varden will indirectly hold, through the acquisition of Homestake, a 100% interest in the Homestake Ridge Project, located adjacent to the Dolly Varden Project in the Golden Triangle, British Columbia.

The Company's management will continue to consist of Shawn Khunkhun, Chief Executive Officer and President, Ann Fehr, Chief Financial Officer, and Robert van Egmond, P.Geo, Chief Geologist. The Company's Board will continue to consist of Shawn Khunkhun, Darren Devine, Robert McLeod, Donald Birak, James Sabala, and Tomas Wharton with the expected additions of Tim Clark, current CEO and Director of Fury, and Michael Henrichsen, current Senior Vice President, Exploration of Fury, being the nominees to be appointed by Fury pursuant to the nomination right. See "*Nomination Right and Technical Committee*" above.

Dolly Varden will continue to be a mineral exploration company focused on northwestern British Columbia. Dolly Varden's flagship asset will be the combined Dolly Varden Project and Homestake Ridge Project, to be called the "**Kitsault Valley Project**". Dolly Varden will also have the Big Bulk copper-gold property located nearby to the Kitsault Valley Project, which is prospective for porphyry and skarn style copper and gold mineralization.

The Common Shares will continue to be traded on the TSXV under the symbol "DV".

For further information concerning the business and operations of the Post-Closing Company following the completion of the Transaction, see Appendix C.

Pro-Forma Combined Financial Information

See Exhibit 3 to Appendix C for selected unaudited pro-forma condensed consolidated financial information of the Post-Closing Company as at and for the nine months ended September 30, 2021 and for the year ended December 31, 2020, after giving effect to the Transaction (the "**Pro-Forma Financial Statements**").

The Pro-Forma Financial Statements may not be appropriate for other purposes. Adjustments have been made to prepare the Pro-Forma Financial Statements, which adjustments are based on certain assumptions. Both the adjustments and the assumptions made are described in the notes to the Pro-Forma Financial Statements.

The Pro-Forma Financial Statements are presented for illustrative purposes only and are not necessarily indicative of: (i) the operating or financial results that would have occurred had the Transaction actually occurred at the times contemplated by the notes to the Pro-Forma Financial Statements; or (ii) the results expected in future periods.

Reference should be made, among other things, to Dolly Varden's audited annual financial statements for the years ended December 31, 2020 and 2019 and unaudited interim financial statements for the nine months ended September 30, 2021 and 2020, each of which is filed under Dolly Varden's company profile on SEDAR, and Homestake's audited annual consolidated financial statements for the years ended December 31, 2020 and 2019 and the unaudited interim consolidated financial statements for the nine months ended September 30, 2021 and 2020, which are attached hereto as Exhibits 1 and 2 to Appendix B.

RISK FACTORS

Shareholders should carefully consider the following risk factors and are encouraged to obtain independent legal, tax and investment advice in their jurisdiction of residence with respect to this Circular and in assessing the Transaction Resolution.

Risk factors relating to the business and operations of the Company are set forth in the management's discussion and analysis of the Company dated November 22, 2021, for the nine months ended September 30, 2021, a copy of which has been filed and can be reviewed under the Company's profile on SEDAR at www.sedar.com. Whether or not the Transaction is completed, the Company will continue to face many of the risks it currently faces relating to its business and affairs. In assessing the Transaction Resolution, Shareholders should carefully consider the risks set forth in the management's discussion and analysis of the Company dated November 22, 2021, for the nine months ended September 30, 2021, together with the other information contained in this Circular. Additional risks and uncertainties, including those currently unknown, may also adversely affect the business of the Company going forward. Additional risks factors related to the Post-Closing Company, Dolly Varden after the completion of the Transaction, are described under the heading "*Risk Factors*" in Appendix C to this Circular. Given the close proximity between the Dolly Varden Project and the Homestake Ridge Project, the completion of the Transaction will not significantly change the risks applicable to Dolly Varden, and the majority of risk factors applicable to the Post-Closing Company are also generally applicable to Dolly Varden.

Risks Related to the Transaction

Possible Failure or Delay in the Transaction

Each of the Company and Fury has the right to terminate the Purchase Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Purchase Agreement will not be terminated before the completion of the Transaction. The Company currently expects that the Transaction will close on or about February 25, 2022. The Closing of the Transaction is subject to the receipt of required regulatory approvals and the satisfaction of certain closing conditions, certain of which are outside the control of the Company and Fury, including but not limited to approval of the Transaction Resolution by the Shareholders and the TSXV final approval. There is no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. A substantial delay in obtaining regulatory approvals or the imposition of unfavourable terms or conditions in the approvals could have a material adverse effect on the Company's ability to complete the Transaction and on the Company's or Homestake's business, financial condition or results of operations. The Company intends to complete the Transaction as soon as practicable after obtaining the required regulatory approvals and satisfying the required closing conditions. If the Transaction is not completed as contemplated, the Company could suffer adverse consequences, including the loss of investor confidence. See "*The Purchase Agreement*" above for information regarding the terms and conditions set out in the Purchase Agreement.

The Transaction may be delayed, and business affected due to outbreaks of communicable diseases, including COVID-19

The continued and prolonged effects of the ongoing global outbreak of COVID-19 may delay or prevent the completion of the Transaction. Among other things, Governmental Authorities in certain jurisdictions have ordered the mandatory closure of all nonessential workplaces. Potential future closures may disrupt the ability of the Company and Fury to complete the Transaction in the timing contemplated including potential delays to the Meeting and receipt of the requisite regulatory approvals.

In addition, the impacts of COVID-19, among other things, have and may affect the ability of Dolly Varden to operate in the future for an indeterminate period of time, may affect the health or safety of employees or contractors, may impede access to services, contractors and supplies, may lead to heightened regulatory scrutiny by Governmental Authorities, may lead to restrictions on transferability of currency, may cause business continuity issues and may result in failures of various local administration, logistics and critical infrastructure. Such effects and disruptions to business continuity as a result of the effects of COVID-19 may impact the ability to consummate the Transaction or the timing thereof and may have an adverse effect on the Company or Homestake's financial position and results of operations. The full extent of the impact of COVID-19 on the contemplated timing and completion of the Transaction (if any) and on the respective operations of Dolly Varden and Homestake will depend on future developments, which are uncertain and cannot be predicted at this time.

Costs Related to the Transaction

Certain costs related to the Transaction, such as legal, accounting and certain financial advisor fees, must be paid by the Company even if the Transaction is not completed. The Company and Fury are each liable for their own costs incurred in connection with the Transaction.

Unexpected Costs or Liabilities Related to the Transaction

Although the Company has conducted what it believes to be a prudent and thorough level of investigation in connection with the Transaction and has negotiated indemnities with Fury in the Purchase Agreement to cover certain potential future liabilities, such indemnities may be limited and an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of, or issues concerning, Homestake. Following the Transaction, the Company may discover that it has acquired substantial undisclosed liabilities. The existence of undisclosed liabilities could have an adverse impact on the Company's business, financial condition and results of operations. In addition, the Purchase Agreement limits the amount for which the Company will be indemnified in respect of breaches of the Purchase Agreement and misrepresentations thereunder, and Fury may not have sufficient resources available to satisfy any claims under the indemnification provisions of the Purchase Agreement. While the Company has estimated these potential liabilities for the purposes of making its decision to enter into the Purchase Agreement, there can be no assurance that any resulting liability will not exceed the Company's estimates. The amount of such liability could have a material adverse effect on the Company's financial position. For further details regarding the indemnification provisions contained in the Purchase Agreement, see "*The Purchase Agreement*" above and the full text of the Purchase Agreement, a copy of which is available under the Company's SEDAR profile on www.sedar.com.

Failure to Realize Anticipated Benefits

The ability to realize the benefits of the Transaction will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the Company's ability to realize the anticipated growth opportunities and synergies from integrating businesses following completion of the Transaction. This integration will require the dedication of management effort, time and resources which may divert management's focus and resources from other strategic opportunities available to the Company prior to and following the completion of the Transaction.

No Assurance of Future Performance

Historic and current performance of Dolly Varden may not be indicative of success in future periods. The future performance of the business of Dolly Varden following completion of the Transaction may be influenced by, among other factors, economic downturns, and other factors beyond the control of the Company. As a result of any one or more of these factors, the operations and financial performance of the Company following the acquisition of the Homestake Ridge Project may be negatively affected, which may adversely affect the Company's financial results.

The Termination Fee

Under the Purchase Agreement, Dolly Varden is required to pay a termination fee of $2,000,000 if the Purchase Agreement is terminated in certain circumstances. The termination fee may discourage other parties from attempting to propose any direct or indirect take-over bid, tender officer, arrangement, merger, amalgamation or the like, even if those parties would otherwise be willing to offer greater value or benefit to the Company that it will receive from the Transaction.

Limited Operating History

The Post-Closing Company will have a limited history of operations, business and mining operations, and no production history. The Post-Closing Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. There is no assurance that the Company will be able to successfully complete its financing and development plans or operate profitably over the short or long term. The Company will have incurred net losses and negative cash flow from operations to date and there is no assurance that the Company will earn profits, or that profitability, if achieved, will be sustained. Shareholders will have to rely on the expertise and good faith of management to identify, acquire, develop and operate commercially viable mineral projects. No assurance can be given that the Company's investigations and efforts will result in the acquisition and development of commercially viable mineral sources. After completion of the Transaction, if the Post-Closing Company's efforts are unsuccessful over a prolonged period of time, the Post-Closing Company may have insufficient working capital to continue to meet its ongoing obligations and its ability to obtain additional financing necessary to continue operations may also be adversely affected. Even if the Post-Closing Company is successful in developing one or more mineral projects, there is no assurance that these projects will be profitable.

Dilution

The Company will issue an aggregate of 76,504,590 Common Shares in connection with the Transaction. This represents the Common Shares issuable to Fury as consideration pursuant to the terms of the Purchase Agreement. The issuance of 76,504,590 Common Shares in the aggregate will represent approximately 36.9% of the Common Shares outstanding after the Closing on a pro-forma basis and will be dilutive to the Shareholders of the Company. The future sale of a substantial number of Common Shares by the Company following the distribution or the perception that such sale could occur could adversely affect prevailing market prices for the Common Shares.

Market Price of the Common Shares

If, for any reason, the Transaction is not completed or its completion is materially delayed and/or the Purchase Agreement is terminated, the market price of the Common Shares may be materially adversely affected. The Company's business, financial condition or results of operations could also be subject to various material adverse consequences, including that the Company may remain liable for significant costs relating to the Transaction including, among others, legal, accounting and printing expenses.

Pro-Forma Financial Information

In preparing the Pro-Forma Financial Statements in this Circular, the Company has given effect to the Transaction. While management believes that the estimates and assumptions underlying the Pro-Forma Financial Statements are reasonable, such assumptions and estimates may be materially different from the Company's actual experience going forward. See also Appendix "C" to this Circular.

Information Provided with Respect to Homestake

This Circular includes annual consolidated financial statements of Homestake for the years ended December 31, 2020 and 2019 that have been audited by Deloitte LLP. This Circular also contains other disclosure regarding Homestake that is based on information provided to the Company by Fury.

Although the Company has conducted what it believes to be a prudent and thorough level of investigation of Homestake in connection with the Transaction, an unavoidable level of risk remains regarding the accuracy and completeness of the information provided to the Company by Fury. While the Company has no reason to believe the information provided by Fury is misleading, untrue or incomplete, there may be events which may have occurred with respect to Homestake or which may affect the completeness or accuracy of the information provided by Fury which are unknown to the Company.

Restriction from Taking Certain Actions

The Purchase Agreement restricts the Company from taking specified actions until the Transaction is completed without the consent of Fury, which may adversely affect the ability of Dolly Varden to execute certain business strategies. These restrictions may prevent Dolly Varden from pursuing attractive business opportunities that may arise prior to the completion of the Transaction.

Use of Fairness Opinion

The Fairness Opinion is directed only to the fairness to the Company, from a financial point of view, of the consideration payable to Fury in connection with the Transaction. The Fairness Opinion does not address the relative merits of the Transaction and as compared to other business strategies or transactions that might be available to the Company or the underlying business decision of the Company to effect the Transaction. The Fairness Opinion does not constitute a recommendation by Haywood to any Shareholder of the Company as to how such Shareholder should vote or act with respect to any matters relating to the Transaction.

New Control Person

If the Transaction is completed, Fury will hold approximately 36.9% of the issued and outstanding Common Shares (on a non-diluted basis). Fury's shareholding level will give it significant influence on decisions to be made by Shareholders, including the ability to influence the election of directors of the Company as well as the approval of future transactions requiring Shareholder approval. In addition, Fury has been granted certain board nominee and pre-emptive rights as described more particularly under the heading "*The Investor Rights Agreement*" above. Fury's large shareholding block may also make the Company less attractive to third parties considering an acquisition of the Company if those third parties are not able to negotiate terms with Fury to support such an acquisition. Fury's influence may have a negative effect on the Company's ability to enter into significant transactions, which could have a negative effect on the share price of the Company relative to its peers that are not subject to the influence of such a shareholder. For further information about Fury, see "*Overview of the Transaction*" above and see Fury's profile on SEDAR at www.sedar.com.

Risks Related to the Businesses of Dolly Varden and Homestake

The businesses of Dolly Varden and Homestake are similar in nature. Both businesses are subject to significant risks. See the risk factors related to Dolly Varden's business incorporated by reference and the risk factors related to the Post-Closing Company set out in Appendix C hereto. While the Company has completed due diligence investigations, including reviewing technical, environmental, legal, tax accounting, financial and other matters on Homestake, certain risks either may not have been uncovered or are not known at this time. Such risks may have an adverse impact on the combined assets of Dolly Varden following the Transaction and may have a negative impact on the value of the Common Shares.

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, nor any associate or affiliate of such person, 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.

INTERESTS OF EXPERTS

The independent auditor of Homestake, Deloitte LLP, provided an auditor's report dated January 7, 2022, in respect of Homestake's audited annual consolidated financial statements for the years ended December 31, 2020 and 2019. Deloitte LLP also acts as the auditor of Fury. Deloitte LLP have reported that they are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

All scientific and technical information relating to the Dolly Varden Project contained in this Circular is solely derived from the Dolly Varden Project Report, prepared by Andrew J. Turner, B.Sc, P.Geol and Steven J. Nicholls, BA.Sc., MAIG, each of whom is an independent "Qualified Person" as defined in NI 43-101.

All scientific and technical information relating to the Homestake Ridge Project contained in this Circular other than the Homestake Information contained in Appendix B, is solely derived from the Homestake Ridge Project Report, prepared by MineFill Services. Dr. David Stone, P.Eng, Andrew Turner, P.Geol, and Rachelle Hough, P.Geo., each of whom is an independent "Qualified Person" as defined in NI 43-101, are the Qualified Persons who certify the Homestake Ridge Project Report. See "*Description of the Business of the Post-Closing Company – Mineral Project*" in Appendix C.

AUDITOR, REGISTRAR AND TRANSFER AGENT

The auditor of the Company is Davidson & Company LLP, Chartered Professional Accountants, 1200-609 Granville Street, Vancouver British Columbia, V7Y 1G6.

The registrar and transfer agent of the Company is Computershare Investor Services Inc., 510 Burrard St. 3rd Floor, Vancouver British Columbia, V6C 3B9.

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 management's discussion and analysis for the year ended December 31, 2020.

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

DATED this 21st day of January 2022.

ON BEHALF OF THE BOARD

"Shawn Khunkhun"

CEO, President and Director

Consent of Haywood Securities Inc.

DATED: January 21, 2022

To the Board of Directors of Dolly Varden Silver Corporation

We refer to the fairness opinion dated December 6, 2021 (the "**Fairness Opinion**"), which we prepared for the board of directors of Dolly Varden Silver Corporation ("**Dolly Varden**") in connection with the acquisition by Dolly Varden of all of the outstanding common shares of Homestake Resource Corporation from Fury Gold Mines Ltd.

We hereby consent to the filing of our Fairness Opinion with the applicable Canadian securities regulatory authorities, and to the references in this information circular dated January 21, 2022 (the "**Circular**") to our firm name and to our Fairness Opinion contained under the headings "*Glossary*", "*Summary – Reasons for the Recommendations of the Board*", "*Summary – Fairness Opinion*", "*Overview of the Transaction – Reasons for the Recommendations of the Board*", "*Overview of the Transaction – Recommendations of the Board*", "*Overview of the Transaction – Fairness Opinion*", and "*Risk Factors – Risks Related to the Transaction*" and the inclusion of the Fairness Opinion as Appendix D to this Circular.

Our fairness opinion was given as at December 6, 2021 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the board of directors of Dolly Varden shall be entitled to rely upon our Fairness Opinion, nor do we permit any such reliance.

(Signed) "*Haywood Securities Inc.*"

APPENDIX A
TRANSACTION RESOLUTION

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The arm's length acquisition (the "Transaction") by Dolly Varden Silver Corporation (the "Company") of all of the issued and outstanding shares of Homestake Resource Corporation from Fury Gold Mines Limited ("Fury"), pursuant to the terms of a share purchase agreement dated December 6, 2021 between the Company and Fury (the "Purchase Agreement"), all as more particularly described in the accompanying management information circular of the Company dated January 21, 2022 (the "Information Circular"), be and is hereby approved.

2. The creation of a new "Control Person" (as such term is defined in the policies of the TSX Venture Exchange) of the Company, being Fury, as a result of the issuance of 76,504,590 common shares in the capital of the Company to Fury in connection with the Transaction, including the Company and Fury entering into the Investor Rights Agreement (as defined in the Purchase Agreement) at closing of the Transaction, all as more particularly described in the Information Circular, be and is hereby approved.

3. Any one director or officer of the Company is hereby authorized and directed to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such documents, agreements or instruments and to do or cause to be done all such acts and things, as in the opinion of such director or officer of the Company may be necessary or desirable in order to give effect to the foregoing resolutions, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or the doing of any such act or thing.

4. Notwithstanding the passage of this resolution, the board of directors of the Company be and are hereby authorized and empowered to revoke this resolution for any reason whatsoever at any time, in the sole discretion of the board of directors, without further approval of or notice to the shareholders of the Company."

APPENDIX B
INFORMATION CONCERNING HOMESTAKE

ADDENDA

SUMMARY

The following is a summary of the material information concerning Homestake ("**Homestake Information**") presented on a pre-Transaction basis (except where otherwise indicated) and should be read together with the more detailed information and financial data and statements contained and referenced below. For information concerning the Post-Closing Company, see Appendix C to this Circular.

All capitalized terms used in this Appendix B and not defined herein have the meaning ascribed to such terms in the "Glossary" or elsewhere in this Circular.

The Homestake Information provided herein is being provided to support the Shareholder Approval of the Transaction by Shareholders of Dolly Varden as described in this Circular. For further information regarding the Transaction, see "*Overview of the Transaction*", "*The Purchase Agreement*", "*The Investor Rights Agreemen*t", "*Cautionary Note Regarding Forward-Looking Statements*", and "*Risk Factors*" in this Circular. The Homestake Information herein provided is solely the responsibility of Fury.

Homestake is a British Columbia corporation which since 2003 has been primarily engaged in exploring its Homestake Ridge precious metals project in the Kitsault region of British Columbia (the "**Homestake Ridge Project**"). For further information regarding the Homestake Ridge Project, see Exhibit 2 to Appendix C of this Circular. There are no securities being distributed by Homestake in connection with the Transaction. The purchase of Homestake by Dolly Varden involves risks generally applicable to all junior mining companies exploring projects which not yet in commercial production. These risks include that the Homestake Ridge Project may never prove technically or economically feasible; risks that arise because permitting any mine in Canada involves a large investment, long environmental reviews, potential opposition; and delays and uncertainties about whether or what permit will ever be granted. If the necessary permits are secured, there are also many risks applicable to all mining operations including that metals prices may decline to an extent, and for a length of time such that operating the mine is no longer profitable. Constructing and operating a mine is subject to the risks of any technically complex materials removal and processing operation, and is also subject to natural risks of unstable ground, cave-ins, spillage unexpected ore exhaustion and many other risks and hazards. These and other risk factors are also more particularly discussed in connection with Post-Closing Company in Appendix C to this Circular. See "*Risk Factors*" in Appendix C to this Circular which risk factors are also fully applicable to Homestake.

The Homestake Information includes financial information consisting of comparative annual audited consolidated financial statements for the years ended December 31, 2020 and 2019 and interim comparative unaudited condensed consolidated financial statements for the three months and nine months ended September 30, 2021 and 2020 and management's discussion and analysis of these financial statements (collectively the "**Homestake Financial Statements**"). See "*Homestake Financial Statement Exhibit*" below.

CORPORATE STRUCTURE

Name, Address, Incorporation and Previous Names

Homestake was incorporated under the laws of British Columbia on July 18, 1983 and continues to be governed by the BCBCA. Its principal office is 1630-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3 and its records office is 1055 W Georgia Street #1500, Vancouver, British Columbia, Canada, V6E 4N7.

- Homestake has undergone a number of name changes since incorporation as follows:
  Redding Gold Inc. – July 18, 1983 (on incorporation)
- Redding Gold Corporation – September 12, 1988
- Consolidated Redding Explorations Corporation – April 6, 1993
- Redex Gold Inc. – June 19, 1996

- Bravo Gold Inc. – July 30, 1997
- International Bravo Resource Corporation – September 21, 1998
- Bravo Venture Group Inc. – March 15, 2002
- Bravo Gold Corp. – February 19, 2010
- Homestake Resource Corporation – April 16, 2012

Subsidiary and Parent

Homestake has one 100% owned subsidiary, Homestake Royalty Corporation, which was incorporated on March 21, 2016 under the laws of British Columbia. It was incorporated to acquire a royalty purchase from Teck Cominco Ltd., now Teck Resources Ltd. ("**Teck**") in 2016 which right was originally acquired by Teck in 2003 (see "*History of Homestake's Involvement with the Homestake Ridge Project - 2015-2016 Homestake Reassumes Operations*"). In 2021, Homestake Royalty Corporation exercised its right to acquire the royalty and paid for the exercise with securities provided by Fury (see " *History of Homestake's Involvement with the Homestake Ridge Project - 2015-2016 Homestake Reassumes Operations"*). Other than the royalty acquired by and owed to Homestake Royalty Corporation on the Homestake Ridge Project which is payable by its parent Homestake, Homestake Royalty Corporation will have, on consummation of the Transaction, no other assets (nor any liabilities).

Homestake was originally listed on the Vancouver Stock Exchange and has been involved in mineral projects in Nevada and South America. Homestake had a continuous on-line disclosure record at www.sedar.com from 1997-2016. Homestake ceased reporting when it was 100% acquired by Auryn Resources Ltd. ("**Auryn**") effective September 7, 2016 (Auryn changed its name to Fury Gold Mines Limited on October 9, 2020). Any reference to Auryn after October 9, 2020 herein means a reference to Fury and any reference to Fury prior to October 9, 2020, means a reference to Auryn.

Since its acquisition by Fury, Homestake has been managed as a wholly-owned subsidiary company along with other Fury subsidiaries which operate other mineral projects in Canada. Information about Fury's management can be found under its profile at www.sedar.com but the information is not considered relevant to an investor decision about the Transaction and accordingly is not incorporated into this document.

There have been no sales of Homestake common shares since it was acquired by Fury in 2016. There are no outstanding options, warrants or other securities to purchase or otherwise acquire any common shares of Homestake.

Homestake Directors and Officers

As a wholly-owned subsidiary of Fury, Homestake's directors since 2016 have been members of Fury's management team. As discussed in "*MD&A for the Three and Nine Months Ended September 30, 2021 – Key Management Personnel*" and "*MD&A for the Year Ended December 31, 2020 – Key Management Personnel*", Homestake's key operating personnel are those of Fury and a related party service provider. As of the date hereof, Homestake has only one director, Mr. Ivan Bebek, Chairman of Fury, who will resign on completion of the Transaction and be replaced with director(s) and officer(s) who are appointed by Dolly Varden. Homestake does not provide any compensation to Mr. Ivan Bebek with respect to his position of director of Homestake.

DESCRIPTION OF THE BUSINESS

Homestake is principally engaged in the acquisition and exploration of mineral property interests, with its only material asset being the Homestake Ridge Project in British Columbia. For further information regarding the Homestake Ridge Project, see Exhibit 2 to Appendix C of this Circular. The Homestake Ridge Project Report is filed under Dolly Varden's company profile at www.sedar.com.

Production and Operations

At present, the Homestake Ridge Project is considered an exploration stage project, and consequently has no current operating income, cash flow or revenues. There is no assurance that commercially viable mineral deposits exist on the Homestake Ridge Project.

Specialized Skills and Knowledge

Many aspects of the business of Homestake, like any other mineral project exploration company, require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mine construction, mine operation and accounting. As a wholly-owned subsidiary of Fury, Homestake's directors since 2016 have been members of Fury's management team. As discussed below, Homestake's key operating personnel are those of Fury and certain personnel who are shared through a related party service provider. Fury retains executive officers and consultants with relevant experience in mining, geology, exploration, development and accounting experience. The skill sets required by Homestake are largely the same as those already possessed by Dolly Varden.

Competitive Conditions

As a mineral exploration and development company with a focus in the Golden Triangle region of northwestern British Columbia, Homestake may compete with other entities in the mineral exploration and development business in various aspects of the business including: (a) seeking out and acquiring mineral exploration and development properties; (b) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising the capital necessary to fund its operations. The mining industry is intensely competitive in all its phases. The ability of Homestake to acquire and retain mineral properties in the future will depend on its success with its existing properties and its ability to obtain additional financing to fund further exploration activities. Competition could adversely affect Homestake's ability to acquire suitable properties or prospects in the future or to raise the capital necessary to continue with operations. Competitive conditions essentially no different than they are for Dolly Varden.

Cycles

Homestake is an exploration-stage mining company. At this time, issues of seasonality or market fluctuations have a minor impact on the expenditure patterns, although the majority of exploration costs are incurred in the months of May through October. The mineral exploration business is subject to mineral price cycles. The marketability of minerals and mineral concentrates and the ability to finance Homestake's ongoing mineral exploration activities on favourable terms will also be affected by worldwide economic cycles. The cyclic nature will be the same as for Dolly Varden.

Environmental Protection

Like Dolly Varden, all aspects of Homestake's field operations are subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. Homestake may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties.

Mineral Projects

Homestake's only material asset is the Homestake Ridge Project in British Columbia. The Homestake Ridge Project is located in the so-called Golden Triangle of north-central British Columbia.

The Homestake Ridge Project comprises 7,484.37 hectares (ha) of mineral claims and crown grants and is located approximately 32 km north-northwest of the tidewater communities of Alice Arm and Kitsault, BC. The Homestake

Ridge Project's southern boundary is located approximately four kilometres from the Dolly Varden Project. The Homestake Ridge Project is subject of the Homestake Ridge Project Report, which estimates that the Homestake Ridge Project contains 165,993 ounces of gold and 1.8 million ounces of silver in the Indicated category (at an average grade of 7.02 g/t Au and 74.8 g/t Ag) and 816,719 ounces of gold and 17.8 million ounces of silver in the Inferred category (at an average grade of 4.58 g/t Au and 100.0 g/t Ag). For further information regarding the Homestake Ridge Project, see Exhibit 2 to Appendix C of this Circular. The Homestake Ridge Project Report is filed under Dolly Varden's company profile at www.sedar.com.

The Homestake Ridge Project presently has no proven or probable reserves, and it has not yet been determined whether the Homestake Ridge Project contains economically recoverable resources. The recoverability amounts spent on exploration is dependent upon the existence of economically recoverable reserves, the ability of the Homestake or the Post-Closing Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

DESCRIPTION OF THE SECURITIES OF HOMESTAKE

Homestake is authorized to issue an unlimited number of common shares (the "**Homestake Shares**") in the capital of Homestake without par value and an unlimited number of preferred shares. As of the date of this Circular, there were 73,183,435 Homestake Shares outstanding and no preferred shares. All Homestake Shares are currently owned by Fury. There have been no further issuances or changes in the securities of Homestake since the date of the most recent Homestake Financial Statement.

Each Homestake Share carries one vote at all meetings of Homestake shareholders, to receive dividends if, as and when declared by the directors and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Homestake Shares, and to participate rateably in the liquidation, dissolution, winding-up or other distribution of assets of Homestake. The Homestake Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions. No dividends have been declared for the Homestake Shares to this date and in the last three financial years, and there are currently no plans to declare dividends.

HISTORY OF HOMESTAKE'S INVOLVEMENT WITH THE HOMESTAKE RIDGE PROJECT

2003 Option from Teck

Homestake acquired its initial material interests in claims which evolved into today's the Homestake Ridge Project in 2003 when as "Bravo Venture Group Inc." it acquired an option on certain mineral claims from Teck. Teck had acquired Homestake Ridge Project claims in 2000 via third party option agreements and staking. From 2000 to 2002, Teck conducted geochemical and geological surveys, trenching, and diamond drilling, exploring for volcanogenic massive sulphide (VMS) deposits which to Homestake's management demonstrated encouraging results. Other mineral claims were subsequently added to the Homestake Ridge Project through original claim applications by Homestake and through purchase agreements.

2003-2011 Early Exploration and New Discovery

From 2003 to 2011, Homestake completed additional surface exploration including further mapping, soil and rock sampling and 13.54 line km of IP geophysical surveys, and diamond drilling. On December 22, 2009 Homestake signed a sale and purchase agreement with Richard Billingsley and Gaye Richards pursuant to which Billingsley and Richards sold to Homestake nine (9) mineral claims comprising Homestake Ridge 1 to Homestake Ridge 6, Home Stake 7, Vanguard Gold and Vanguard Extension.

In 2011 a new discovery was made 800 m to the southwest of, and parallel to, the previously discovered Main Homestake and Homestake Silver deposits. This area, known as the South Reef target was tested by three holes with all three intersecting +30 g/t gold mineralization.

2012-2014 Agnico Eagle Mines Acquires 65% Option

By 2012 the Homestake Ridge Project consisted of 32 unpatented mineral claims and 7 patented Crown Granted claims covering a total of 2,583 ha. Homestake also owned mineral claims known as the Tip Top Crown Grant claims and Millsite claims. All claims are contiguous. During 2012, Homestake completed two phases of drilling described below focused on the delineation and extension of the South Reef target.

On September 4, 2012, Homestake announced that it had entered into a property option agreement with a major mining company, Agnico Eagle Mines Limited ("**AEM**"). Under the terms of the option agreement, AEM acquired the option to earn up to 65% interest in the Homestake Ridge Project with the staged expenditure of $25.3 million over 5 years in two stages, a 51% interest in the Homestake Ridge Project for $10.3 million, and an additional 14% by expending a further $15 million or producing a Feasibility Study by December 31, 2016 resulting in a 65% ownership in the Homestake Ridge Project. AEM also purchased 2 million common shares of Homestake at $0.35 per common share for proceeds of $700,000 which was added to Homestake's working capital. In December 2013 Homestake and AEM agreed to amend the September 2012 option by reducing 2013 and 2014 expenditure requirements by $3.0 million and by adding an extra year to the initial option period, so that 2015 would have a required expenditure of $3.0 million.

During 2012, Homestake and AEM completed 4,743m of drilling in 13 drill holes. The program consisted of two phases, with the second phase being funded by AEM. The first phase was conducted at the South Reef target, which is located approximately 800m to the southwest of, and on a parallel mineralized trend to, the project's current resource inventory at the Homestake Main deposit and the Homestake silver deposit. The second phase tested shallow, on- strike projections of the South Reef target as well as several other targets on the property. In 2012, drilling was successful in identifying an approximate 250m strike by 250m down dip before ending in, or being offset by, a major fault structure. Mineralization remained open along strike to the northwest. Other targets on the property remained to be explored.

In 2013, AEM completed an exploration program consisting of geological mapping, soil sampling (785 samples), approximately 21 line km of ground geophysical surveying including IP/resistivity and magnetics and a 10-hole drilling program totaling 3,947.24 m. The drilling was meant to test various exploration targets outside of the Homestake Main and Homestake Silver deposits. The 2013 AEM funded exploration program was successful in discovering a potential new mineral zone called the Slide target southeast of the Homestake Silver deposit.

In 2014, AEM completed a limited amount of prospecting, reconnaissance geological mapping and rock sampling (57 samples) as well as a 6-hole drilling program totaling 2,578 m designed to test the Slide Zone. The drilling suggested that the Slide Zone is concordant with the Homestake Main and Homestake Silver Zones and trends north northwesterly and dips steeply to the northeast. A resource report, dated June 7, 2013, entitled "NI 43-101 Technical Report, an Updated Mineral Resource Estimate, Homestake Ridge Project, Kitsault, British Columbia" was prepared by Robert W.J. Macdonald, P.Geo., and David W. Rennie P.Eng and was filed at www.sedar.com.

Drilling completed during the 2014 summer program by AEM extended the new "Slide" target to 800 metres of strike length, confirming a new zone of silver mineralization similar to that identified at the Homestake Silver Deposit and indicating the potential for a similarly rich gold zone down dip, which remained to be tested. On September 2, 2014 Homestake announced that it had received notice from AEM on August 29,2014 that AEM would allow its option in the Homestake Ridge Project to lapse.

2015-2016 Homestake Reassumes Operations

Exploration activities at the Homestake Ridge Project were modest after AEM's decision to terminate its option rights on August 29, 2014 and Fury's acquisition of Homestake between June and September 2016. For the 12 months ended July 31, 2015 Homestake disclosed project expenditures at the Homestake Ridge Project of $162,408, of which the two principal costs were project supervision of $101,764 and $45,999 for equipment rental and field supplies.

For the nine months ended March 31, 2016 disclosed Homestake Ridge Project expenditures of $149,286 comprised of project supervision of $93,558 and $55,728 equipment rental and field supplies.

On May 15, 2016, Homestake completed a purchase agreement with Teck to purchase a 2% NSR and ancillary rights on mineral claims forming a portion of the property for total consideration of $100,000. The NSR was created in 2003 when the Company purchased the claims from Teck and Teck reserved a 2% NSR together with rights to purchase another 2% NSR on other mineral claims from its holder for $1.0 million within 60 days from commencement of commercial production. Homestake also acquired this right of purchase of the 2% NSR and exercised the right in 2021 as described in the below section "*MD&A for the Three and Nine Months Ended September 30, 2021*".

Homestake entered into a loan agreement with Auryn dated May 10, 2016, which provided for a loan by Auryn of $150,000. The loan agreement contained a conversion feature allowing conversion of the indebtedness into Homestake Shares at a conversion price of $0.10 per Homestake Share. On June 13, 2016. Homestake announced a letter agreement with Auryn under which a plan of arrangement would be proposed to shareholders of Homestake under which Homestake shareholders were to receive one Auryn common share for each seventeen (17) Homestake Shares held at the time of completion of the arrangement. On July 11, 2016, Homestake and Auryn entered into a definitive arrangement agreement and on July 20, 2016, Auryn exercised its conversion rights under the May 2016 loan agreement and received 1,500,000 shares of Homestake.

On September 7, 2016, the arrangement was completed and Auryn acquired all of the remaining issued and outstanding Homestake Shares. Homestake thereupon became a wholly-owned subsidiary of Auryn. Auryn recorded acquisition costs of $15,390,000 for the Homestake Shares but for the cost of the total acquisition, Homestake required that Homestake's liabilities of $1,534,000 be factored in. Accordingly, $16,060,000 was allocated to and capitalized on Auryn's books in the mineral properties account for the Homestake Ridge Project, the balance allocated to other assets.

2016-2021 Fury Acquires Homestake and Continues Exploration

Summary of Principal Homestake Ridge Project Exploration Costs by Fury

Category	2016	2017	2018	2019	2020
Total ($ 000s)	142	6,929	2,087	1,195	465
Major Components					
Drilling		1,820	391	--	--
Assaying		357	111	72	27
Camp Costs		679	269	149	28
Salaries/Wages		866	327	174	116
Geo consulting		785	201	169	194
Aircraft		1,618	475	187	2

For the Homestake Ridge Project expenditures incurred in the nine months ended September 30, 2021, see "*MD&A for the Three and Nine Months Ended September 30, 2021 - Summary of Three and Nine Months Homestake Ridge Project Costs*".

Calendar 2017 saw the largest expenditures for the post acquisition period. After acquiring the Homestake Ridge Project, Fury completed a limited amount of induced polarization surveying, a soil sampling program and a 15,000 metre diamond drill program. On December 12, 2017, Fury announced the results of its 15,000-meter core drilling program at the Homestake Ridge Project. The program targeted 2 of 7 target areas identified away from the existing deposits and was successful in identifying the plunge of the high-grade South Reef zone. Highlights include 30 meters of 2.00 g/t Au (including 4m @ 6.03g/t Au & 2m @ 11.80 g/t Au), 10 meters of 4.12 (including 2m @ 18.01 g/t Au), 18m of 1.29g/t Au (including 4m of 4.18g/t Au), 8m of 2.67 g/t Au (including 2m of 7.4 g/t), and 14m of 1.23g/t Au. These results identified the geometry of the high-grade mineralization at the South Reef main zone that remains open to the northwest and importantly have identified an emerging parallel high-grade structure (Upper zone) 175 meters to the north of the main zone. On November 3, 2017, Fury filed an amended and restated technical report with respect to its Homestake Ridge Project entitled "Technical Report on the Homestake Ridge Project, Skeena Mining Division, Northwestern British Columbia" dated October 23, 2017 which included an updated Mineral Resource estimate.

During 2018, Fury completed a 2,500 meter diamond drill program along strike from the South Reef deposit. Narrow zones of gold mineralization were encountered in several holes but the results were not deemed significant.

During 2019, Fury completed a 558 ln-km magnetic and electromagnetic survey flown by Geotech Airborne Geophysical Surveys. The survey was flown over two distinct blocks covering the newly identified Bria target area as well as the southern KN HSR 1 mineral claim. The remainder of the 2019 exploration program at the Homestake Ridge Project was focused on the newly identified Kombi and Bria targets. Field work comprised detailed soil and rock chip sampling.

In 2020 Fury commissioned an independent preliminary economic assessment which demonstrated a reasonable possibility of a positive net present value for a posited mine on the Homestake Ridge Project under certain assumptions and recommended that Fury proceed to a full feasibility study. For a description of nine month activities in 2021 and costs, see "*MD&A for the Three and Nine Months Ended September 30, 2021 - Summary of Three and Nine Months Homestake Ridge Project Costs*".

OVERVIEW OF MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General Information and Cautionary Note about Comparability

The information in this overview section is applicable to the MD&A for the three and nine months ended September 30, 2021 as well as for the years ended December 31, 2020 and December 31, 2019 unless otherwise stated. The Homestake Ridge Project has been primarily operated by Homestake's parent entity, Fury. Homestake's results of operations and financial condition presented in the historical consolidated financial statements are not necessarily indicative of the future operations or financial condition of either the Homestake Ridge Project or Homestake. In addition, the Homestake financial statements may not be comparable to the financial statements of other "stand-alone entities" entities as Homestake was not operated by Fury as a stand-alone company.

Cautionary Note Regarding Forward Looking Statements and Risk Factors

Certain statements made in this MD&A contain forward-looking statements within the meaning of applicable Canadian and United States securities laws. Forward-looking statements for Homestake is subject to materially the same uncertainties, limitations and risk factors as have been disclosed elsewhere in the Circular. See "*Risk Factors*" in the Circular and in Appendix C to the Circular. The uncertainties of forward-looking statements and risk factors applicable to Homestake and the Homestake Ridge Project are considered materially the same as those applicable to Dolly Varden given they are both British Columbia corporations and the Homestake Ridge Project is adjacent to Dolly Varden's mineral projects. See in this Circular, "*Cautionary Note Regarding Forward-Looking Statements*".

Impact of COVID-19

Across Canada, public health officials have recommended precautions to mitigate the spread of the ongoing COVID-19 pandemic, especially in heavily populated areas, with provincial governments issuing orders that at certain times have required the closure of non-essential businesses and for people to remain at home. In April 2021, British

Columbia implemented restrictions on non-essential travel between health regions. Currently, mining and exploration have been deemed essential and any work plans for the Homestake Ridge Project are subject to approval of a COVID-19 plan by the Chief Provincial Health Officer.

Qualified Person and Certain Technical Disclosures

Michael Henrichsen, P. Geo., Senior Vice President, Exploration of Fury is a “qualified person” or “QP” under and for the purposes of NI 43-101 with respect to the technical disclosures for the Homestake Information including the MD&A. However, Mr. Henrichsen is not the author of, nor responsible for the disclosure of or the contents of, the Homestake Ridge Project Report described herein. For purposes of the Circular, a NI 43-101 compliant technical report entitled Technical Report and Updated Mineral Resource Estimate for the Homestake Ridge Gold Project dated effective January 20, 2022 was commissioned by Dolly Varden, which has reached substantively the same conclusions as Homestake’s preliminary economic assessment from July 2020 with respect to mineral resources at the Homestake Ridge Project. The Homestake Ridge Project Report does not contain a preliminary economic assessment of the Homestake Ridge Project mineral resources. For further information regarding the Homestake Ridge Project, see Exhibit 2 to Appendix C of this Circular.

Description of Homestake Operations

Homestake is principally engaged in the acquisition and exploration of mineral property interests, with its only material asset being the Homestake Ridge Project in British Columbia. For further information regarding the Homestake Ridge Project, see Exhibit 2 to Appendix C of this Circular. The Homestake Ridge Project Report is filed under Dolly Varden’s company profile at www.sedar.com.

Fury Obligation to Capitalize Intercompany Debt owed by Homestake

As of the date hereof, Homestake is indebted to Fury in the amount of approximately $3.3 million. The amount of intercompany indebtedness is expected to increase somewhat prior to completion of the Transaction. It is an obligation of the Purchase Agreement that Fury contributes this indebtedness amount to Homestake as contributed capital immediately prior to completion of the Transaction. Therefore, on completion of the Transaction, Homestake will have no material liabilities and will have no material assets other than the Homestake Ridge Project mineral titles. Readers of the Homestake Financial Statements must factor in this capital contribution obligation when reviewing the balance sheets of Homestake.

MD&A FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

The following MD&A for Homestake should be read in conjunction with the condensed interim consolidated financial statements of Homestake and related notes thereto for the three and nine months ended September 30, 2021. The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* of the International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). All dollar amounts presented are expressed in Canadian dollars unless otherwise stated. Certain amounts presented in this MD&A have been rounded. The effective date of this MD&A is January 21, 2022.

Review of Quarterly Financial Information-Three months ended September 30, 2021 compared to three months ended September 30, 2020

During the three months ended September 30, 2021, Homestake reported a total comprehensive loss of $293,478 and a basic and diluted loss per share of $0.00 compared to a total comprehensive loss of $115,176 and a basic and diluted loss per share of $0.00 for the three months ended September 30, 2020. During the same period, Homestake completed the purchase of the 2% NSR royalty for $400,000, comprising $100,000 in cash and $300,000 of Fury common shares. This $400,000 amount forms part of the indebtedness owned to Fury that will be contributed by Fury to Homestake capital as of completion of the transaction. At the Homestake Ridge project, all reporting and expenditure requirements were extended until December 31, 2021 under section 66 of the *Mineral Tenure Act* (British Columbia). All requirements are now in force.

The increase in total comprehensive loss in the third quarter of 2021 was primarily due to exploration and evaluation costs of $291,859 as compared to $87,427 in the third quarter of 2020, due mainly to the expensing of 50% of a drilling contract deposit, totalling $125,000 and certain preparatory costs for a planned 2021 exploration program, which was subsequently deferred due to the Homestake Ridge Project being subject to a strategic review. The remaining $125,000 deposit was recognized in prepaid expenses and deposits as at September 30, 2021.

Nine months ended September 30, 2021 compared to nine months ended September 30, 2020

During the nine months ended September 30, 2021, Homestake reported a total comprehensive loss of $592,934 and a basic and diluted loss per share of $0.01 compared to a total comprehensive loss of $387,031 and basic and diluted loss per share of $0.01 for the nine months ended September 30, 2020.

The increase in total comprehensive loss in 2021 was primarily due to the realized net loss on marketable securities of $186,060 following the transfer of the equity securities held by Homestake to Fury. Homestake recognized $252,511 proceeds upon disposition, representing the market value of shares at date of disposition. Additionally, exploration and evaluation costs in 2021 were impacted by the expensing of the 50% of the drilling contract deposit and certain preparatory costs for a planned 2021 exploration program, which was subsequently deferred due to the Homestake Ridge Project being subject to a strategic review; while 2020 saw higher evaluation activity as a result of consulting costs and technical personnel salaries associated with the preparation of the updated mineral resource and preliminary economic assessment which was filed in July 2020.

Summary of Three and Nine Months Homestake Ridge Project Costs

During the nine months ended September 30, 2021, Homestake's mineral properties increased to $16,460,126 compared to $16,060,126 as at December 31, 2020. During the three months ended September 30, 2021, Homestake completed the purchase of a corporate 2% NSR on 14 mineral claims on the Homestake Ridge project for $400,000 comprising a $100,000 cash payment and 328,767 of common shares of Fury, with a fair value of $300,000.

For the three and nine months ended September 30, 2021 and 2020, Homestake's exploration and evaluation costs were as follows:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Assaying	$2,299	$8,430	$18,897	$24,704
Exploration drilling[1]	125,000	-	125,000	-
Camp cost, equipment and field supplies	110,406	7,867	118,485	23,375
Geological consulting services	-	19,546	2,928	193,204
Permitting, environmental and community costs	13,300	24,633	40,926	57,123
Expediting and mobilization	5,383	-	5,383	-
Salaries and wages	23,454	24,699	56,850	105,240
Aircraft and travel	-	-	1,020	2,635

Share-based compensation	9,017	2,252	28,245	17,765
Total	$291,859	$87,427	$400,734	$424,046

Note:

(1) Exploration drilling expense incurred at the Homestake Ridge Project in the three and nine months ended September 30, 2021, comprised the expensing of 50% of a drilling contract deposit of $125,000. As at September 30, 2021, the remaining 50% of the drilling contract deposit was recognized in prepaid expense and deposits.

Financial position, liquidity, and capital resources

	At September 30, 2021	At December 31, 2020
Cash	$15,349	$63,346
Other assets	219,260	519,475
Mineral property interests	16,460,126	16,060,126
Current liabilities	3,412,076	2,767,354

As at September 30, 2021, Homestake had a net working capital deficit of $3,245,467 (December 31, 2020 – working capital deficit of $2,252,533), which Homestake defines as current assets less current liabilities, and an accumulated deficit of $61,092,118 (December 31, 2020 - $60,499,184). Homestake has incurred operating losses to date and does not generate cash flows from operations to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The ability to continue as a going concern remains dependent upon Homestake's ability to obtain the financing necessary to continue to explore its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. The primary source of Homestake's funding remains the on-going funding of cash from Fury.

Contractual commitments

In the normal course of business, Homestake enters into contracts that give rise to commitments for future minimum payments. All of Homestake's accounts payables and accrued liabilities are due within 12 months from September 30, 2021. Additionally, the amounts due to Fury of $3,275,364 as at September 30, 2021 are repayable upon demand.

Homestake also has an obligation to pay in perpetuity an annual royalty payment of $50,000 pursuant to certain royalty arrangements on the Homestake Ridge Project.

Other financial information

Cash flows from operations	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Cash (used in) operating activities	$(72,633)	$(80,721)	$(387,212)	$(375,163)
Cash (used in) provided by investing activities	(99,979)	12	152,714	506
Cash provided by financing activities	162,898	88,240	186,501	366,369

Three months ended September 30, 2021 compared to three months ended September 30, 2020

During the three months ended September 30, 2021, Homestake used cash of $72,633 in operating activities compared to $80,721 during the three months ended September 30, 2020. The cash outflow in 2020 was higher due to increased exploration and evaluation costs arising from the completion of the Homestake Ridge Project preliminary economic assessment, while the 2021 cash outflow was lower due to the deferment of the drilling program while the project was under strategic review.

During the three months ended September 30, 2021, Homestake purchased a royalty on the property for $100,000 in cash and shares in Fury. During the three months ended September 30, 2020, Homestake received cash from interest earned on Homestake's cash held at bank.

During the three months ended September 30, 2021 and 2020, Homestake received cash from financing activities of $162,898 and $88,240, respectively, which represent contributions from Fury for Homestake's exploration activities.

Nine months ended September 30, 2021 compared to nine months ended September 30, 2020

During the nine months ended September 30, 2021, Homestake used cash of $387,212 in operating activities compared to $375,163 during the nine months ended September 30, 2020. The cash outflow in 2021 was slightly higher due to certain mobilization costs and a drilling deposit, which was deferred for a strategic review of the project, while 2020 cash flows were impacted by the completion of increased exploration and evaluation costs arising from the completion of the preliminary economic assessment.

During the nine months ended September 30, 2021, Homestake received cash from investing activities arising from the transfer of Homestake's marketable securities to Fury for proceeds of $252,511, offset by $100,000 cash payment in respect of the purchase of a royalty on the project. In 2020, the cash flow arose only from interest earned on Homestake's cash held at bank.

During the nine months ended September 30, 2021 and 2020, Homestake received cash from financing activities of $186,501 and $366,369, respectively, which represent contributions from Fury for Homestake's exploration activities.

Capital structure

Authorized: Unlimited common shares without par value. Unlimited preferred shares – nil issued and outstanding. Number of common shares issued and outstanding as at September 30, 2021 and the date hereof: 73,183,435.

Financial risk summary

As at September 30, 2021, Homestake's financial instruments consist of cash, accounts receivable, deposits, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short term maturity. Homestake's financial instruments are exposed to certain financial risks, primarily liquidity risk and market risk however the nominal amounts of these instruments make the risks immaterial as of September 30, 2021.

Related party balances and transactions

Universal Mineral Services Ltd. ("**UMS**") is a private service provider company owned until December 31, 2021 as to 50% by Ivan Bebek a director of Homestake and of Fury (and thereafter owned by another Fury director). UMS provides geological services to Homestake on a substantially cost recovery basis. Homestake believes that having these services available through UMS, on an as needed basis, allowed Homestake to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees. During the three and nine months ended September 30, 2021, Homestake recognized exploration and evaluation costs of $1,249 and $16,996, respectively, incurred by UMS on its behalf (three and nine months ended September 30, 2020 - $34,052 and $98,131, respectively). The arrangements with UMS will terminate effective upon closing of the Transaction.

The outstanding balance owing at September 30, 2021, was $25,024 (December 31, 2020 – $44) and $20,151 in current prepaids (December 31, 2020 - nil) representing certain geological software licenses purchased on behalf of Homestake by UMS, and which are amortized over twelve months. $186,501 of funding was received during the nine months ended September 30, 2021, from Fury. The outstanding balance owing at September 30, 2021, was $3,275,364 (December 31, 2020 - $2,760,617).

All transactions with related parties have occurred in the normal course of operations. All indebtedness amounts are unsecured, non-interest bearing.

During the three and nine months ended September 30, 2021, $9,017 and $28,245, respectively (three and nine months ended September 30, 2020 - $2,252 and $17,765, respectively) of share-based compensation expense was recognized. The expense recognized represents the expense incurred by Fury and recharged to Homestake for certain share options issued by Fury based on the fair value method of accounting.

Key Management Personnel

Homestake is a wholly-owned subsidiary of Fury and so while it has is under the technical legal control of a board of directors, that board was comprised of persons who were members of Fury's board of directors. For the three and nine months ended September 30, 2021 and 2020, key operating management personnel can be said to be geological employees of Fury, including the Senior Vice President, Exploration, and Vice President, Project Development. Upon completion of the Transaction, Homestake will be staffed by persons appointed by Dolly Varden.

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Short-term benefits	$16,302	$18,984	$34,275	$48,895
Share-based payments	7,865	891	18,299	7,263
Total	$24,167	$19,875	$52,574	$56,158

Critical judgments and accounting estimates

The preparation of financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

In preparing Homestake's condensed interim consolidated financial statements for the three and nine months ended September 30, 2021, Homestake applied the critical accounting judgements and estimates disclosed in note 2 of its consolidated financial statements for the year ended December 31, 2020.

New accounting standards and policies

Homestake did not adopt any new accounting standards or policies during the quarter, and the accounting policies applied in preparing Homestake's condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 were consistent with those disclosed in note 3 of its consolidated financial statements for the year ended December 31, 2020.

New and amended standards not yet effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods beginning after December 31, 2021. Homestake has not early adopted any of these pronouncements, and they are not expected to have a significant impact in the foreseeable future on Homestake's consolidated financial statements once adopted.

MD&A FOR THE YEAR ENDED DECEMBER 31, 2020

The following MD&A for Homestake should be read in conjunction with the audited annual consolidated financial statements of Homestake and related notes thereto for the years ended December 31, 2020 and December 31, 2019. The consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and Interpretations issued by the IFRS Interpretations Committee.

All dollar amounts presented are expressed in Canadian dollars unless otherwise stated. Certain amounts presented in this MD&A have been rounded. The effective date of this MD&A is January 21, 2022.

Review of Annual Information-years ended December 31, 2020 compared to year ended December 31, 2019

	Years ended December 31	
	2020	**2019**
Net Loss	$378,071	$1,033,163
Total comprehensive loss	378,071	1,033,163
Basic and diluted loss per share	0.01	0.01
Total assets	$16,642,947	$16,513,395

During the year ended December 31, 2020, Homestake reported a total comprehensive loss of $378,071 and a basic and diluted loss per share of $0.01 compared to a total comprehensive loss of $1,033,163 and a basic and diluted loss per share of $0.01 for the year ended December 31, 2019. The significant driver of change in total comprehensive loss was a $729,308 decrease in exploration and evaluation costs to $466,111 in 2020 as compared to $1,195,419 in 2019. The decrease was primarily due to the lower activity in 2020 as a result of COVID-19 restrictions and the costs incurred in 2019 for the exploration program undertaken during the summer of 2019 as noted above and compilation of the preliminary economic assessment, which was filed in July 2020. This decrease was offset partially by a $93,031 unrealized gain on marketable securities as compared to an unrealized gain of $159,480 in 2019.

Summary of Annual Project Costs

For the years ended December 31, 2020 and 2019, Homestake's exploration and evaluation costs were as follows:

	Year ended December 31	
	2020	**2019**
Assaying	$27,402	$72,450
Camp cost, equipment, and field supplies	27,232	150,100
Consulting services	194,423	199,417
Geophysical analysis	-	169,270
Permitting, environmental and community costs	69,778	61,576
Expediting and mobilization	-	24,531
Salaries and wages	115,756	174,243
Fuel and consumables	-	40,365
Aircraft and travel	2,635	187,326

Share based compensation	28,885	116,141
Total	$ 466,111	$1,195,419

Review of quarterly financial information- Three months ended December 31, 2020 compared to three months ended December 31, 2019

During the three months ended December 31, 2020, Homestake reported a total comprehensive gain of $8,960 and a basic and diluted gain per share of $0.00, compared to a total comprehensive loss of $100,012 and a basic and diluted loss per share of $0.00 for the three months ended December 31, 2019. The total comprehensive gain in 2020 primarily resulted from an unrealized gain on marketable securities of $53,163, offset by exploration and evaluation costs of $42,065. The total comprehensive loss in 2019 was primarily due to exploration and evaluation costs of $221,294 incurred for the exploration activity undertaken and compilation of the preliminary economic assessment, which was filed in July 2020, partially offset by an unrealized gain on marketable securities of $119,610.

Financial position, liquidity, and capital resources

	Years ended December 31	
	2020	2019
Cash	$63,346	$21,682
Other assets	519,475	431,587
Mineral property interests	16,060,126	16,060,126
Current liabilities	2,767,354	2,259,731

As at December 31, 2020, Homestake had a net working capital deficit of $2,252,533 (December 31, 2019 – net working capital deficit of $1,874,462), which Homestake defines as current assets less current liabilities, and an accumulated deficit of $60,499,184 (December 31, 2019 - $60,121,113). Homestake has incurred operating losses to date and does not generate cash flows from operations to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The ability to continue as a going concern remains dependent upon Homestake's ability to obtain the financing necessary to continue to explore its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. The primary source of Homestake's funding remains the on-going funding of cash from Fury.

Contractual commitments

In the normal course of business, Homestake enters into contracts that give rise to commitments for future minimum payments. All of Homestake's accounts payables and accrued liabilities are due within 12 months from December 31, 2020. Additionally, the amounts due to Fury of $2,760,618 as at December 31, 2020 are repayable upon demand.

Homestake also has an obligation to pay in perpetuity an annual royalty payment of $50,000 pursuant to certain royalty arrangements on the Homestake Ridge Project.

Other financial information

	Years ended December 31	
	2020	2019
Cash (used) in operating activities	$(461,252)	$(1,050,956)

Cash provided by investing activities	534	4,834
Cash provided by financing activities	502,382	580,974

During the year ended December 31, 2020, Homestake used cash of $461,252 in operating activities compared to $1,050,956 during the year ended December 31, 2019. The cash outflow in 2019 was higher due to increased exploration and evaluation costs arising from the completion of the preliminary economic assessment, while the 2020 cash outflow was lower due to the COVID-19 restrictions on travel.

During the years ended December 31, 2020 and 2019, Homestake received cash from investing activities from interest earned on Homestake's cash held at bank.

During the years ended December 31, 2020 and 2019, Homestake received cash from financing activities of $502,382 and $580,974, respectively, which represent contributions from Fury for Homestake's exploration activities

Capital structure

Authorized: Unlimited common shares without par value. Unlimited preferred shares – nil issued and outstanding. Number of common shares issued and outstanding as at December 31, 2020 and as of the date hereof: 73,183,435.

Financial risk summary

As at December 31, 2020, Homestake's financial instruments consist of cash, marketable securities, amounts receivable, a reclamation deposit, and accounts payables and accrued liabilities. The fair values of these financial instruments, other than the marketable securities, approximate their carrying values due to their short term to maturity. Homestake's marketable securities, representing an investment held in a publicly traded entity, were classified as level 1 of the fair value hierarchy and measured at fair value using their quoted market price at period end.

Homestake's financial instruments are exposed to certain financial risks, primarily liquidity risk and market risk. Details of the primary financial risks that Homestake is exposed to are available in the notes to Homestake's 2020 consolidated financial statements.

Related party balances and transactions

During the year ended December 31, 2020, Homestake recognized $106,459 of exploration and evaluation costs incurred by UMS on its behalf (December 31, 2019 - $153,987). The outstanding balance owing at December 31, 2020, was $44 (December 31, 2019 – $23,275). $502,382 of funding was received during the year from Fury (2019 - $580,974). The outstanding balance owing at December 31, 2020, was $2,760,618 (December 31, 2019 - $2,229,352).

All transactions with related parties have occurred in the normal course of operations. All indebtedness amounts are unsecured, non-interest bearing.

During the year ended December 31, 2020, $28,885 (year ended December 31, 2019 – $116,141) of share-based compensation expense was recognized. The expense recognized represents the expense incurred by Fury and recharged to Homestake for certain share options issued by Fury based on the fair value method of accounting.

Key Management Personnel

Homestake is a wholly-owned subsidiary of Fury and so while it has is under the technical legal control of a board of directors, that board was comprised of persons who were members of Fury's board of directors. For the years ended

December 31, 2020 and 2019, key management personnel was determined to comprise certain geological employees of Fury and UMS, including the Senior Vice President, Exploration, and Vice President, Project Development. During the year ended December 31, 2020, expense of $57,148 and $15,928 representing short-term employee benefits and share-based compensation, respectively (year ended December 31, 2019 - $36,463 and $44,548, respectively) was recognized as exploration and evaluation costs.

Critical judgments and accounting estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Critical accounting judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

Functional currency

The functional currency for Homestake's subsidiary is the currency of the primary economic environment in which the entity operates. Homestake has determined that the functional currency of its subsidiary is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and Homestake reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

Economic recoverability and probability of future economic benefits of mineral property interests

Management has determined that the acquisition of mineral properties and related costs incurred, which have been recognized on the consolidated statement of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

Indications of impairment of assets

Assessments of impairment indicators are performed at the Cash Generating Unit ("**CGU**") level and judgment is involved in assessing whether there is any indication that an asset or a CGU may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties, and the results of exploration and evaluation to date.

Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to Homestake's transactions.

Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statement of financial position and the benefit of other tax losses and temporary differences not yet recognized.

Financial instruments

Financial instruments are assessed upon initial recognition to determine whether they meet the definition of a financial asset, financial liability, or equity instrument depending on the substance of the contractual arrangement. Judgement is required in making this determination as the substance of a transaction may differ from its legal form. Once a determination is made, IFRS requires that financial instruments be measured at fair value on initial recognition. For financial instruments that do not have quoted market prices or observable inputs, judgements are made in determining what are appropriate inputs and assumptions to use in calculating the fair value.

Share-based compensation

Homestake determines the fair value of options to purchase Fury shares which are granted to its employees and service providers and included in costs charged to Homestake's accounts using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility, and expected life of the option. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

New or Amended Accounting Standards and Policies Adopted by Homestake from January 1, 2020

Homestake has adopted the following amended accounting standards and policies effective January 1, 2020:

Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - In October 2018, the IASB issued Amendments to IAS 1 and IAS 8 to clarify the definition of material in IAS 1 and align the definition across the standards. The amendments are not intended to alter the underlying concept of materiality in IFRS standards. The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence". The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term "material" to ensure consistency.

Amendments to IFRS 3 – Business Combinations - In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not. The amendments, which are effective for annual reporting periods beginning on or after January 1, 2020, clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive, and introduce an optional concentration test to permit a simplified assessment.

Amendments to IFRS 16 – Leases - To provide practical relief to lessees in accounting for rent concessions arising as a result of COVID-19, the IASB proposed an amendment to IFRS 16 which provide lessees with a practical expedient that relieves a lessee from assessing whether a COVID-19 related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted.

New and amended standards not yet effective:

Certain new accounting standards and interpretations have been issued but were not effective for the year ended December 31, 2020, and they have not been early adopted. Homestake is currently assessing the new and amended standards' impact on its consolidated financial statements; however, they are not expected to have a material impact on Homestake's current or future reporting periods. These include: *Amendments to IAS 1 – Classification of Liabilities as Current or Non-current* - The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income, or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use - The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with *IAS 2 – Inventories*. The amendments also clarify the meaning of "testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income or loss, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line items in the statement of comprehensive income or loss include such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

MATERIAL AGREEMENTS

Other than the royalty agreements which provide for a 2% NSR royalty on the Homestake Ridge Project, Homestake is not a party to nor subject to any material agreements other than the obligation of Fury to capitalize the intercompany indebtedness owed to Fury as described in "*Overview of Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations - Fury Obligation to Capitalize Intercompany Debt owed by Homestake*".

LEGAL AND REGULATORY PROCEEDINGS

There are no legal or regulatory proceedings to which Homestake is, has been, or is expected to be subject.

HOMESTAKE FINANCIAL STATEMENT EXHIBITS

The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020 of Homestake and accompanying notes are included as Exhibit 1 to this Appendix B. The audited consolidated financial statements for the years ended December 31, 2020 and 2019 of Homestake and accompanying notes are included as Exhibit 2 to this Appendix B.

AUDITOR

The audited annual consolidated financial statements of Homestake and related notes thereto for the years ended December 31, 2020 and December 31, 2019 were audited by Deloitte LLP, 939 Granville Street Vancouver BC V6Z 1L3 Canada. Deloitte LLP also acts as the auditor of Fury.

APPROVAL OF HOMESTAKE INFORMATION BY ITS SOLE DIRECTOR AND BY THE FURY BOARD

The contents of the Homestake Information and its inclusion in the Circular, have been approved and authorized by the sole Director of Homestake and by the Board of Directors of Fury.

January 21, 2022

BY ORDER OF THE DIRECTOR OF HOMESTAKE RESOURCE CORPORATION
"Ivan Bebek", (original signed) Director

BY ORDER OF THE BOARD OF DIRECTORS OF FURY GOLD MINES LIMITED
"Forrester (Tim) Clark" (original signed) President, CEO and Director

EXHIBIT 1 TO APPENDIX B
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 OF HOMESTAKE

(See attached)

Homestake Resources Corporation

(An exploration company)

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

Homestake Resources Corporation

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars – Unaudited)

	Note	**At September 30 2021**	At December 31 2020
Assets			
Current assets:			
Cash		**$ 15,349**	$ 63,346
Marketable securities	3	**-**	438,571
Accounts receivable		**9,092**	1,477
Prepaid expenses and deposits	5a	**142,168**	11,427
		166,609	514,821
Non-current assets:			
Reclamation deposit		**68,000**	68,000
Mineral property interest	4	**16,460,126**	16,060,126
Total assets		**$ 16,694,735**	$ 16,642,947
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 136,712**	$ 6,736
Amounts due to parent company		**3,275,364**	2,760,618
Total liabilities		**$ 3,412,076**	$ 2,767,354
Equity:			
Share capital	6	**$ 74,230,268**	$ 74,230,268
Share option and warrant reserve		**144,509**	144,509
Deficit		**(61,092,118)**	(60,499,184)
Total equity		**$ 13,282,659**	$ 13,875,593
Total liabilities and equity		**$ 16,694,735**	$ 16,642,947

Going concern (note 1)

Related parties (notes 3a and 7)

Subsequent events (note 10)

Approved on behalf of the Board of Directors on January 7, 2022:

"Ivan Bebek"
Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Homestake Resources Corporation

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, except per share amounts – Unaudited)

	Note	**Three months ended September 30**		**Nine months ended September 30**	
		2021	2020	**2021**	2020
Operating expenses:					
Exploration and evaluation costs	5	**$ 291,859**	$ 87,427	**$ 400,734**	$ 424,046
Legal and professional fees		**-**	1,045	**400**	1,045
Office and administration		**1,834**	64	**5,936**	173
		293,693	88,536	**407,070**	425,264
Other expenses (income):					
Unrealized loss (gain) on marketable securities	3	**-**	26,580	**-**	(39,870)
Realized net loss on marketable securities	3	**-**	-	**186,060**	-
Interest income		**(21)**	(12)	**(203)**	(506)
Foreign exchange (gain) loss		**(194)**	72	**7**	2,143
		(215)	26,640	**185,864**	(38,233)
Net Loss		**293,478**	115,176	**592,934**	387,031
Total comprehensive loss for the period		**$ 293,478**	$ 115,176	**$ 592,934**	$ 387,031
Loss per share					
Basic and diluted loss per share	8	**$ 0.00**	$ 0.00	**$ 0.01**	$ 0.01

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Homestake Resources Corporation
Consolidated Statements of Equity
(Expressed in Canadian dollars, except share amounts – Unaudited)

	Number of common shares	Share capital	Share option and warrant reserve	Deficit	Total
Balance at December 31, 2019	73,183,435	$ 74,230,268	$ 144,509	$ (60,121,113)	$ 14,253,664
Comprehensive loss for the period	-	-	-	(387,031)	(387,031)
Balance at September 30, 2020	73,183,435	$ 74,230,268	$ 144,509	$ (60,508,144)	$ 13,866,633
Balance at December 31, 2020	73,183,435	$ 74,230,268	$ 144,509	$ (60,499,184)	$ 13,875,593
Comprehensive loss for the period	**-**	**-**	**-**	**(592,934)**	**(592,934)**
Balance at September 30, 2021	**73,183,435**	**$ 74,230,268**	**$ 144,509**	**$ (61,092,118)**	**$ 13,282,659**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Homestake Resources Corporation
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars – Unaudited)

		Three months ended September 30		Nine months ended September 30	
	Note	**2021**	2020	**2021**	2020
Operating activities:					
Loss for the period from continuing operations		**$ (293,478)**	$ (115,176)	**$ (592,934)**	$ (387,031)
Adjusted for:					
Interest and other income		**(21)**	(12)	**(203)**	(506)
Items not involving cash:					
Unrealized loss (gain) on marketable securities	3	**-**	26,580	**-**	(39,870)
Realized net loss on marketable securities	3	**-**	-	**186,060**	-
Share-based compensation	7	**9,017**	2,252	**28,245**	17,765
Changes in non-cash working capital					
Accounts receivable		**(7,237)**	(1,122)	**(7,615)**	8,106
Prepaid expenses and deposits		**113,011**	659	**(130,741)**	4,865
Accounts payable		**106,075**	6,098	**129,976**	21,508
Cash (used) in operating activities		**(72,633)**	(80,721)	**(387,212)**	(375,163)
Investing activities:					
Interest received		**21**	12	**203**	506
Proceeds from sale of marketable securities	3	**-**	-	**252,511**	-
Purchase of royalty	4	**(100,000)**	-	**(100,000)**	-
Cash (used in) provided by investing activities		**(99,979)**	12	**152,714**	506
Financing activities:					
Contributions from parent		**162,898**	88,240	**186,501**	366,369
Cash provided by financing activities		**162,898**	88,240	**186,501**	366,369
(Decrease) increase in cash		**(9,714)**	7,531	**(47,997)**	(8,288)
Cash, beginning of the period		**25,063**	5,863	**63,346**	21,682
Cash, end of the period		**15,349**	13,394	**15,349**	13,394

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Note 1: Nature of operations and Going Concern

Homestake Resources Corporation (the "Company" or "Homestake") is an entity in the province of British Columbia and its principal office is 1630-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3. The Company is a wholly owned subsidiary of Fury Gold Mines Limited ("Fury Gold"), which is the ultimate parent entity.

The Company is principally engaged in the acquisition and exploration of mineral property interests, with its primary asset being the Homestake Ridge project in British Columbia. The Company has not yet determined whether the property contains mineral reserves where extraction is both technically feasible and commercially viable.

Going concern

As at September 30, 2021, the Company has a net working capital deficit of $3,245,467 while it incurred a net loss of $592,934 for the nine months ended September 30, 2021. The Company has incurred operating losses to date and does not generate cash flows from operations to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The ability to continue as a going concern remains dependent upon the Company's ability to obtain the financing necessary to continue to explore its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. The primary source of the Company's funding remains the on-going funding of cash from Fury Gold.

These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. These unaudited condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Response to COVID-19

Across Canada, public health officials have recommended precautions to mitigate the spread of the ongoing COVID-19 pandemic, especially in heavily populated areas, with provincial governments issuing orders that at certain times have required the closure of non-essential businesses and for people to remain at home. In compliance with government orders, employees were supported to work remotely when required. At the Homestake Ridge project, all reporting and expenditure requirements have been extended until December 31, 2021, under section 66 of the Mineral Tenure Act (British Columbia).

Note 2: Basis of presentation

Statement of compliance

These unaudited condensed interim consolidated financial statements (the "interim financial statements") have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Certain disclosures included in the Company's annual consolidated financial statements (the "consolidated financial statements") prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and interpretations issued by the IFRS Interpretations Committee ("IFRICs") have been condensed or omitted herein. Accordingly, these interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2020.

Basis of preparation and consolidation

These interim financial statements incorporate the financial statements of the Company and Homestake Royalty Corporation ("Homestake Royalty"), an entity 100% controlled by the Company (its subsidiary). Control exists when the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the Company's returns. Homestake Royalty is incorporated in British Columbia, Canada and its functional currency is the Canadian dollar.

The Company's interim results are not necessarily indicative of its results for a full year.

These interim financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value (note 9). All amounts are expressed in Canadian dollars unless otherwise noted. Reference to US$ are to United States dollars. All intercompany balances and transactions have been eliminated.

Critical accounting estimates, judgements, and policies

The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

In preparing the Company's interim financial statements for the three and nine months ended September 30, 2021, the Company applied the critical accounting judgements and estimates and accounting policies disclosed in notes 2 and 3, respectively, of the Company's consolidated financial statements for the year ended December 31, 2020.

New and amended standards not yet effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods beginning after December 31, 2021. The Company has not early adopted any of these pronouncements, and they are not expected to have a significant impact in the foreseeable future on the Company's consolidated financial statements once adopted.

Note 3: Marketable securities

The marketable securities held by the Company were as follows:

		Total
Balance at December 31, 2019	$	345,540
Unrealized gain		93,031
Balance at December 31, 2020	$	438,571
Disposition of marketable securities		**(252,511)**
Realized loss on disposition		**(186,060)**
Balance at September 30, 2021	**$**	**-**

(a) During the nine months ended September 30, 2021, the Company transferred its investment in Bravada Gold Corporation to Fury Gold. The transaction price was the market value of the shares as at the date of transaction.

Note 4: Mineral property interest

The Company owns a 100% interest in the Homestake Ridge project subject to a 2% Net Smelter Royalty ("NSR") applicable to the Crown grants. The project covers approximately 7,500 hectares and is located in the Iskut-Stewart-Kisault gold belt in northwestern British Columbia.

During the three months ended September 30, 2021, the Company completed the purchase of a corporate 2% NSR on 14 mineral claims on the Homestake Ridge project for $400,000 comprising a $100,000 cash payment and 328,767 of common shares of Fury Gold, with a fair value of $300,000.

The following is a continuity of the Company's mineral property acquisition costs:

	Total
Balance at December 31, 2019	$ 16,060,126
Balance at December 31, 2020	$ 16,060,126
Purchase of Homestake Ridge royalty	400,000
Balance at September 30, 2021	**$ 16,460,126**

(Expressed in Canadian dollars, except where noted – Unaudited)

Note 5: Exploration and evaluation costs

For the three and nine months ended September 30,2021 and 2020, the Company's exploration and evaluation costs were as follows:

	Three months ended September 30		Nine months ended September	
	2021	2020	2021	2020
Assaying	**$ 2,299**	$ 8,430	**$ 18,897**	$ 24,704
Exploration drilling [(a)]	**125,000**	-	**125,000**	-
Camp cost, equipment and field supplies	**110,406**	7,867	**118,485**	23,375
Geological consulting services	**-**	19,546	**2,928**	193,204
Permitting, environmental and community costs	**13,300**	24,633	**40,926**	57,123
Expediting and mobilization	**5,383**	-	**5,383**	-
Salaries and wages	**26,454**	24,699	**59,850**	105,240
Aircraft and travel	**-**		**1,020**	2,635
Share-based compensation	**9,017**	2,252	**28,245**	17,765
Total	**$ 291,859**	$ 87,427	**$ 400,734**	$ 424,046

(a) Exploration drilling expense incurred at the Homestake Ridge project in the three months ended September 30, 2021, comprised the expensing of 50% of a drilling contract deposit of $125,000. As at September 30, 2021, the remaining 50% of the drilling contract deposit was recognized in prepaid expense and deposits.

Note 6: Share capital

Authorized

Unlimited common shares without par value.

Note 7: Related party balances and transactions

Related Party:

Universal Mineral Services Ltd. ("UMS") is a private company with one director in common, Mr. Ivan Bebek. UMS provides geological services to the Company on an ongoing, cost recovery basis. Having these services available through UMS, on an as needed basis, allows the Company to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees. During the three and nine months ended September 30, 2021, the Company recognized exploration and evaluation costs of $1,249 and $16,996, respectively, incurred by UMS on its behalf (three and nine months ended September 30, 2020 - $34,052 and $98,131, respectively)

The outstanding balance owing at September 30, 2021, was $25,024 (December 31, 2020 – $44) and $20,151 in current prepaids (December 31, 2020 - nil) representing certain geological software licenses purchased on behalf of the Company by UMS, and which are amortized over twelve months.

$186,501 of funding was received during the nine months ended September 31, 2021, from Fury Gold. The outstanding balance owing at September 30, 2021, was $3,275,364 (December 31, 2020 - $2,760,617).

(Expressed in Canadian dollars, except where noted – Unaudited)

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing, and have no specific terms of settlement, unless otherwise noted.

During the three and nine months ended September 30, 2021, $9,017 and $28,245, respectively (three and nine months ended September 30, 2020 - $2,252 and $17,765, respectively) of share-based compensation expense was recognized. The expense recognized represents the expense incurred by Fury Gold and recharged to the Company for certain share options issued by Fury Gold based on the fair value method of accounting.

Key Management Personnel:

For the three and nine months ended September 30, 2021 and 2020, key management personnel were determined to comprise certain geological employees of Fury Gold, including the Senior Vice President, Exploration, and Vice President, Project Development.

	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Short-term benefits	**$ 16,302**	$ 18,984	**$ 34,275**	$ 48,895
Share-based payments	7,865	891	**18,299**	7,263
Total	**$ 24,167**	$ 19,875	**$ 52,574**	$ 56,158

Note 8: Loss per share

For the three and nine months ended September 30, 2021 and 2020, the weighted average number of shares outstanding and loss per share from continuing operations were as follows:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	**2021**	2020
Loss for the period	**$ 293,478**	$ 115,176	**$ 592,934**	$ 387,031
Weighted average number of shares outstanding	**73,183,435**	73,183,435	**73,183,435**	73,183,435
Basic and diluted loss per share	**$ 0.00**	$ 0.00	**$ 0.01**	$ 0.01

Note 9: Financial instruments

(Expressed in Canadian dollars, except where noted – Unaudited)

The Company's financial instruments as at September 30, 2021 consisted of cash, marketable securities, accounts receivable, deposits, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Financial assets and liabilities by categories

	At September 30, 2021			At December 31, 2020		
	Amortized Cost	**FVTPL**	**Total**	Amortized Cost	FVTPL	Total
Cash	**$ 15,349**	**$ -**	**$ 15,349**	$ 63,346	$ -	$ 63,346
Marketable securities	**-**	**-**	**-**	-	438,571	438,571
Accounts receivable	**9,092**	**-**	**9,092**	1,477	-	1,477
Deposits	**193,000**	**-**	**193,000**	68,000	-	68,000
Total financial assets	**$ 217,441**		**$ 217,441**	$ 132,823	$ 438,571	$ 571,394
Accounts payable and accrued liabilities	**136,712**	**-**	**136,712**	6,736	-	6,736
Amounts payable to parent	**3,275,364**		**3,275,364**	2,760,618	-	2,760,618
Total financial liabilities	**$ 3,412,076**	**$ -**	**$ 3,412,076**	$ 2,767,354	$ -	$ 2,767,354

Financial assets and liabilities measured at fair value

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy to determine when a transfer occurs between levels is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. No transfers occurred between the levels during the period.

The Company's financial instruments measured at fair value on a recurring basis as at September 30, 2021 and December 31, 2020 were comprised of cash and marketable securities, both of which were classified as level 1.

During the three and nine months ended September 30, 2021, there were no financial assets or financial liabilities measured and recognized on the consolidated statement of financial position at fair value that would be categorized as level 3 in the fair value hierarchy.

Financial instruments and related risks

The Company's financial instruments are exposed to liquidity risk.

Liquidity risk

(Expressed in Canadian dollars, except where noted – Unaudited)

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at September 30, 2021, the Company had a working capital deficit of $3,245,467 (December 31, 2020 - $2,252,533), which includes accounts payable of $136,712 and amounts due to Fury Gold of $3,275,364. The Company's accounts payable are due within 12 months and the amounts due to Fury Gold are repayable on demand. Additionally, the Company is obligated to pay in perpetuity an annual payment of $50,000 pursuant to certain royalty arrangements on the Homestake Ridge project.

With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration of its mineral property.

Note 10: Subsequent events

On December 6, 2021 Dolly Varden Silver Corp ("Dolly Varden") and Fury Gold announced that the companies had entered into a definitive agreement dated December 6, 2021 pursuant to which Dolly Varden will acquire from Fury Gold, through the acquisition of Fury's wholly-owned subsidiary, Homestake, a 100% interest in the Homestake Ridge project located adjacent to the Dolly Varden Project and together with the Homestake Project, form the "Kitsault Valley Project" in the Golden Triangle, British Columbia (the "Transaction"). The Transaction values the Homestake Project at CAD$50 million for which Dolly Varden will pay $5 million in cash and issue 76,504,590 Dolly Varden common shares to Fury. Upon completion of the Transaction, Fury will own approximately 36.9% of Dolly Varden on an outstanding basis.

The Transaction is subject to a number of closing conditions, including the receipt of TSX Venture Exchange approval and the satisfaction of certain other closing conditions customary for a transaction of this nature. The Transaction is also subject to approval by a simple majority of the votes cast by Dolly Varden shareholders at a Dolly Varden shareholders meeting.

EXHIBIT 2 TO APPENDIX B
THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 OF HOMESTAKE

(See attached)

Homestake Resources Corporation

(An exploration company)

CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Deloitte.

Deloitte LLP
939 Granville Street
Vancouver BC V6Z 1L3
Canada

Tel: 604-669-4466
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Independent Auditor's Report

To the Board of Directors of Homestake Resources Corporation

Opinion

We have audited the consolidated financial statements of Homestake Resources Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $378,071 during the year ended December 31, 2020 and, as of that date, the Company's current liabilities exceeded its current assets by $2,252,533. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
January 7, 2022

Homestake Resources Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note		**At December 31 2020**		At December 31 2019
Assets					
Current assets:					
Cash		**$**	**63,346**	$	21,682
Marketable securities	4		**438,571**		345,540
Accounts receivable			**1,477**		12,040
Prepaid expenses and deposits			**11,427**		6,007
			514,821		385,269
Non-current assets:					
Reclamation security deposit			**68,000**		68,000
Mineral property interests	5		**16,060,126**		16,060,126
Total assets		**$**	**16,642,947**	$	16,513,395
Liabilities and Equity					
Current liabilities:					
Accounts payable and accrued liabilities		**$**	**6,736**	$	30,379
Amounts due to parent company			**2,760,618**		2,229,352
Total liabilities		**$**	**2,767,354**	$	2,259,731
Equity:					
Share capital	7	**$**	**74,230,268**	$	74,230,268
Share option and warrant reserve			**144,509**		144,509
Deficit			**(60,499,184)**		(60,121,113)
Total equity		**$**	**13,875,593**	$	14,253,664
Total liabilities and equity		**$**	**16,642,947**	$	16,513,395

Going Concern (note 1)

Contractual obligations (note 10)

Subsequent event (note 13)

These financial statements are authorized for issue by the Directors of the Company on January 7, 2022.

They are signed on the Entity's behalf by:

"Ivan Bebek"
Director

The accompanying notes form an integral part of these consolidated financial statements.

Homestake Resources Corporation
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except per share amounts)

	Note		Years ended December 31 2020		2019
Operating expenses:					
Exploration and evaluation costs	6	**$**	**466,111**	$	1,195,419
Legal and professional fees			**1,197**		-
Office and administration			**1,823**		805
			469,131		1,196,224
Other expenses (income):					
Unrealized gain on marketable securities	4		**(93,031)**		(159,480)
Interest income			**(534)**		(4,834)
Foreign exchange loss			**2,505**		1,253
			(91,060)		(163,061)
Loss for the year		**$**	**378,071**	$	1,033,163
Total Comprehensive loss for the year		**$**	**378,071**	$	1,033,163
Loss per share:					
Basic and diluted loss per share	9	**$**	**0.01**	$	0.01

The accompanying notes form an integral part of these consolidated financial statements.

Homestake Resources Corporation
Consolidated Statements of Equity
(Expressed in Canadian dollars, except share amounts)

	Number of common shares	Share capital	Share option and warrant reserve	Deficit	Total
Balance at December 31, 2018	73,183,435	$ 74,230,268	$ 144,509	$ (59,087,950)	$ 15,286,827
Comprehensive loss for the year	-	-	-	(1,033,163)	(1,033,163)
Balance at December 31, 2019	73,183,435	$ 74,230,268	$ 144,509	$ (60,121,113)	$ 14,253,664
Comprehensive loss for the year	**-**	**-**	**-**	**(378,071)**	**(378,071)**
Balance at December 31, 2020	**73,183,435**	**$ 74,230,268**	**$ 144,509**	**$(60,499,184)**	**$ 13,875,593**

The accompanying notes form an integral part of these consolidated financial statements.

Homestake Resources Corporation
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Note		Years ended December 31 **2020**		2019
Operating activities:					
Loss for the year		**$**	**(378,071)**	$	(1,033,163)
Adjusted for:					
Interest and other income			**(534)**		(4,834)
Items not involving cash:					
Unrealized gain on marketable securities	4		**(93,031)**		(159,480)
Share-based compensation	6		**28,885**		116,141
Changes in non-cash working capital					
Accounts receivable			**10,563**		(2,855)
Prepaid expenses and deposits			**(5,420)**		23,613
Accounts payable			**(23,644)**		9,622
Cash used in operating activities			**(461,252)**		(1,050,956)
Investing activities:					
Interest received			**534**		4,834
Cash provided by investing activities			**534**		4,834
Financing activities:					
Contributions from parent			**502,382**		580,974
Cash provided by financing activities			**502,382**		580,974
Increase (decrease) in cash			**41,664**		(465,148)
Cash, beginning of the year			**21,682**		486,830
Cash, end of the year		**$**	**63,346**	$	21,682

The accompanying notes form an integral part of these consolidated financial statements.

Note 1: Nature of operations and going concern

Homestake Resources Corporation (the "Company" or "Homestake") is an entity in the province of British Columbia and its principal office is 1630-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3. The Company is a wholly owned subsidiary of Fury Gold Mines Limited ("Fury Gold"), which is the ultimate parent entity.

The Company is principally engaged in the acquisition and exploration of mineral property interests, with its primary asset being the Homestake Ridge project in British Columbia. The Company has not yet determined whether the property contains mineral reserves where extraction is both technically feasible and commercially viable.

Going concern

As at December 31, 2020, the Company has net working capital deficit of approximately $2,252,533 while it incurred a net loss of approximately $378,071 for the year ended December 31,2020. The Company has incurred operating losses to date and does not generate cash flows from operations to support its activities. With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The ability to continue as a going concern remains dependent upon the Company's ability to obtain the financing necessary to continue to explore its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. The primary source of the Company's funding remains the on-going funding of cash from Fury Gold.

These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Response to COVID-19

Across Canada, public health officials have recommended precautions to mitigate the spread of the ongoing COVID-19 pandemic, especially in heavily populated areas, with provincial governments issuing orders that at certain times have required the closure of non-essential businesses and for people to remain at home. In compliance with government orders, employees were supported to work remotely when required. At the Homestake Ridge project, all reporting and expenditure requirements have been extended until December 31,2021 under section 66 of the *Mineral Tenure Act* (British Columbia).

Note 2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), effective for the year ended December 31, 2020. IFRS comprises IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs"), and the former Standing Interpretations Committee ("SICs").

Basis of preparation and consolidation

These consolidated financial statements incorporate the financial statements of the Company and Homestake Royalty Corporation ("Homestake Royalty"), an entity 100% controlled by the Company (its subsidiary). Control exists when the Company has power over an investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the Company's returns. Homestake Royalty is incorporated in British Columbia, Canada.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value (note 10). All amounts are in Canadian dollars unless otherwise noted. Reference to US$ are to United States dollars. All intercompany balances and transactions have been eliminated..

Critical accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Critical accounting judgments exercised in applying accounting policies, and key sources of estimation uncertainty that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

i) Functional currency

The functional currency for Homestake Royalty is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency of Homestake Royalty is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

ii) Economic recoverability and probability of future economic benefits of mineral property interests

Management has determined that the acquisition of mineral properties and related costs incurred, which have been recognized on the consolidated statement of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

iii) Indications of impairment of assets

Assessments of impairment indicators are performed at the Cash Generating Unit ("CGU") level and judgment is involved in assessing whether there is any indication that an asset or a CGU may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties, and the results of exploration and evaluation to date.

iv) Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

v) Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty, and changes in circumstances may alter expectations which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statement of financial position and the benefit of other tax losses and temporary differences not yet recognized.

vi) Financial instruments

Financial instruments are assessed upon initial recognition to determine whether they meet the definition of a financial asset, financial liability, or equity instrument depending on the substance of the contractual arrangement. Judgement is required in making this determination as the substance of a transaction may differ from its legal form. Once a determination is made, IFRS requires that financial instruments be measured at fair value on initial recognition. For financial instruments that do not have quoted market prices or observable inputs, judgements are made in determining what are appropriate inputs and assumptions to use in calculating the fair value.

vii) Share-based compensation

The Company determines the fair value of share options granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility, and expected life of the option. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

Note 3: Significant accounting policies

a) Foreign currency translation

The financial statements of the Company and its subsidiary are prepared in its functional currency determined on the basis of the primary economic environment in which such entities operate. The presentation and functional currency of the Company and each of its subsidiary is the Canadian dollar. Amounts in these financial statements denominated in United States dollars are denoted as US$.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing rates and non-monetary items measured at historical cost are translated into the entity's functional currency at rates in effect at the date the transaction took place.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are included in the consolidated statement of loss and comprehensive loss for the period in which they arise.

b) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid short-term investments that are readily convertible to cash and have maturities with terms of less than ninety days and/or with original maturities over ninety days but redeemable on demand without penalty. As at December 31, 2020 and 2019, the Company did not have any cash equivalents.

c) Mineral property interests and exploration expenditures

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous historical conveyancing practices of many properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

The Company accounts for mineral property interests in accordance with IFRS 6 – *Exploration for and evaluation of mineral properties* ("IFRS 6").

Costs directly related to acquiring the legal right to explore a mineral property including acquisition of licenses, mineral rights, and similar acquisition costs are recognized and capitalized as mineral property interests. Acquisition costs incurred in obtaining the legal right to explore a mineral property are deferred until the legal right is granted and thereon reclassified to mineral property interests. Transaction costs incurred in acquiring an asset are deferred until the transaction is completed and then included in the purchase price of the asset acquired.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation activities including, but not limited to, researching and analyzing existing exploration data, conducting geological studies, exploration drilling and sampling, and payments made to contractors and consultants in connection with the exploration and evaluation of the property, are expensed in the period in which they are incurred as exploration and evaluation costs on the consolidated statement of loss and comprehensive loss.

Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed as administrative costs in the period in which they occur.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to exploration and evaluation costs.

When a project is deemed to no longer have commercially viable prospects to the Company, all capitalized acquisition costs in respect of that project are deemed to be impaired. As a result, those costs, in excess of the estimated recoverable amount, are expensed to the consolidated statement of loss and comprehensive loss.

The Company assesses mineral property interests for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development at which point the assets and further related costs no longer fall under the guidance of IFRS 6.

d) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there are any indicators of impairment. If any such indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized immediately in the statement of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal of impairment is recognized in the statement of loss and comprehensive loss.

e) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. The diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of share options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding share options were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting period.

f) Share-based compensation

From time to time, the Company grants share options to employees and non-employees. An individual is classified as an employee, versus a non-employee, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of share options, measured using the Black-Scholes option pricing model at the date of grant, is charged to the consolidated statement of loss and comprehensive loss over the vesting period. Performance vesting conditions and forfeitures are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, any change in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of loss and comprehensive loss over the remaining vesting period.

Equity instruments granted to non-employees are recorded in the consolidated statement of loss and comprehensive loss at the fair value of the goods or services received, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for a share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are recorded in the share option and warrant reserve until exercised. Upon exercise, shares are issued from treasury and the amount previously recorded in share option and warrant reserve is reclassified to share capital along with any consideration paid.

g) Income taxes

Income tax reported in the consolidated statement of loss and comprehensive loss for the period presented comprises current and deferred income tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax for each taxable entity in the Company is based on the local taxable income at the local statutory tax rate enacted or, substantively enacted, at the reporting date and includes any adjustments to tax payable or recoverable with regards to previous periods.

Deferred income tax is determined using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the expected future tax rates enacted or substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

h) Financial instruments

The Company recognizes financial assets and liabilities on its consolidated statement of financial position when it becomes a party to the contract creating the asset or liability.

On initial recognition, all financial assets and liabilities are recorded by the Company at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss for which transaction costs are expensed in the period in which they are incurred.

Amortized cost

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

The Company's financial assets at amortized cost primarily include cash, restricted cash, amounts receivable, and deposits.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets classified as FVTOCI at December 31, 2020.

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to deficit.

Financial assets measured subsequently at fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in note 10.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements, and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, or designated as at FVTPL, are measured at amortized cost using the effective interest method.

The Company's financial liabilities measured at amortized cost primarily include accounts payable and accrued liabilities.

i) Changes in accounting standards

The Company has adopted the following amended accounting standards and policies effective January 1, 2020, of which none had a material impact on the Company's consolidated financial statements:

Amendments to IAS 1 – *Presentation of Financial Statements* and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*

In October 2018, the IASB issued Amendments to IAS 1 and IAS 8 to clarify the definition of material in IAS 1 and align the definition across the standards. The amendments are not intended to alter the underlying concept of materiality in IFRS standards. The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence".

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term "material" to ensure consistency.

Amendments to IFRS 3 – *Business Combinations*

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to help entities determine whether an acquired set of activities and assets is a business or not. The amendments, which are effective for annual reporting periods beginning on or after January 1, 2020, clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive, and introduce an optional concentration test to permit a simplified assessment.

Amendments to IFRS 16 – *Leases*

To provide practical relief to lessees in accounting for rent concessions arising as a result of COVID-19, the IASB proposed an amendment to IFRS 16 which provide lessees with a practical expedient that relieves a lessee from assessing whether a COVID-19 related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted.

New and amended standards not yet effective

Certain new accounting standards and interpretations have been issued but were not effective for the year ended December 31, 2020, and they have not been early adopted. The Company is currently assessing the new and amended standards' impact on its consolidated financial statements; however, they are not expected to have a material impact on the Company's current or future reporting periods.

Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income, or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

Amendments to IAS 16 – *Property, Plant and Equipment—Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 – *Inventories*.

The amendments also clarify the meaning of "testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income or loss, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line items in the statement of comprehensive income or loss include such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

Note 4: Marketable securities

		At December 31 2020		At December 31 2019
Balance, beginning of year	$	345,540	$	186,060
Unrealized gain		93,031		159,480
Balance, end of the year	**$**	**438,571**	**$**	**345,540**

The Company holds 2,658,003 shares in Bravada Gold Corporation, which are measured at fair value based on the market price of the shares held (note 10). At as December 31, 2020, the market price per share of Bravada Gold was $0.17 (December 31, 2019 - $0.13).

Note 5: Mineral property interests

The Company owns a 100% interest in the Homestake Ridge project, subject to various royalty interests held by third parties not exceeding 2%. The project covers approximately 7,500 hectares and is located in the Iskut-Stewart-Kisault gold belt in northwestern British Columbia.

The total mineral property interests of the Homestake Ridge project as at December 31, 2020 was $16,060,126 (December 31, 2019 - $16,060,126; January 1, 2019 - $16,060,126).

(Expressed in thousands of Canadian dollars, except where noted)

Note 6: Exploration and evaluation costs

For the years ended December 31, 2020 and 2019, the Company's exploration and evaluation costs were as follows:

	Years ended December 31 2020	2019
Assaying	**$ 27,402**	$ 72,450
Camp cost, equipment, and field supplies	**27,232**	150,100
Consulting services	**194,423**	199,417
Geophysical analysis	**-**	169,270
Permitting, environmental and community costs	**69,778**	61,576
Expediting and mobilization	**-**	24,531
Salaries and wages	**115,756**	174,243
Fuel and consumables	**-**	40,365
Aircraft and travel	**2,635**	187,326
Share based compensation	**28,885**	116,141
Total	**$ 466,111**	$ 1,195,419

Note 7: Share capital

Unlimited common shares without par value.

Note 8: Related party balances and transactions

Related party

Universal Mineral Services Ltd. ("UMS") is a private company with one director in common, Mr. Ivan Bebek. UMS provides geological services to the Company on an ongoing, cost recovery basis. Having these services available through UMS, on an as needed basis, allows the Company to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees. During the year ended December 31, 2020, the Company recognized $106,459 of exploration and evaluation costs incurred by UMS on its behalf (December 31, 2019 - $153,987). The outstanding balance owing at December 31, 2020, was $44 (December 31, 2019 – $23,275).

$502,382 of funding was received during the year from Fury Gold. The outstanding balance owing at December 31, 2020, was $2,760,618 (December 31, 2019 - $2,229,352).

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

During the year ended December 31, 2020, $28,885 (2019 – $116,141) of share-based compensation expense was recognized. The expense recognized represents the expense incurred by Fury Gold and recharged to the Company for a certain share options issued by Fury Gold based on the fair value method of accounting.

Key Management Personnel

(Expressed in thousands of Canadian dollars, except where noted)

For the years ended December 31, 2020 and 2019, key management personnel was determined to comprise certain geological employees of Fury Gold and UMS, including the Senior Vice President, Exploration, and Vice President, Project Development. During the year ended December 31, 2020, expense of $57,148 and $15,928 representing short-term employee benefits and share-based compensation, respectively (year ended December 31, 2019 - $36,463 and $44,548, respectively) was recognized as exploration and evaluation costs.

Note 9: Loss per share

For the years ended December 31, 2020 and 2019, the weighted average number of shares outstanding and loss per share were as follows:

	Years ended December 31	
	2020	**2019**
Loss for the year	**$ 378,071**	$ 1,033,163
Weighted average number of shares outstanding	**73,183,435**	73,183,435
Basic and diluted loss per share	**$ 0.01**	$ 0.01

Note 10: Financial instruments

The Company's financial instruments consist of cash, marketable securities, accounts receivable, deposits, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Financial assets and liabilities by categories

	At December 31, 2020		
	Amortized Cost	**FVTPL**	**Total**
Cash	**$ 63,346**	**$ -**	**$ 63,346**
Marketable securities	**-**	**438,571**	**438,571**
Accounts receivable	**1,477**	**-**	**1,477**
Deposits	**68,000**	**-**	**68,000**
Total financial assets	**$ 132,823**	**$ 438,571**	**$ 571,394**
Accounts payable and accrued liabilities	**6,736**	**-**	**6,736**
Amounts payable to parent	**2,760,618**	**-**	**2,760,618**
Total financial liabilities	**$ 2,767,354**	**$ - -**	**$ 2,767,354**

	At December 31, 2019		
	Amortized Cost	**FVTPL**	**Total**
Cash	$ 21,682	$ -	$ 21,682
Marketable securities	-	345,540	345,540
Accounts receivable	12,040	-	12,040
Deposits	68,000	-	68,000
Total financial assets	$ 101,722	$ 345,540	$ 447,262
Accounts payable and accrued liabilities	30,379	-	30,379
Amounts payable to parent	2,229,352	-	2,229,352
Total financial liabilities	$ 2,259,731	$ -	$ 2,259,731

(Expressed in thousands of Canadian dollars, except where noted)

Financial assets and liabilities measured at fair value

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy to determine when a transfer occurs between levels is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. No transfers occurred between the levels during the year.

The Company's financial instruments measured at fair value on a recurring basis as at December 31, 2020 and 2019 were comprised of marketable securities which was classified as level 1.

During the year ended December 31, 2020, there were no financial assets or financial liabilities measured and recognized on the consolidated statement of financial position at fair value that would be categorized as level 3 in the fair value hierarchy.

Financial instruments and related risks

The Company's financial instruments are exposed to liquidity risk, and market risks, which comprises of price risk arising on the Company's marketable securities. As at December 31, 2020, the primary risks were as follows:

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at December 31, 2020, the Company had working capital deficit of $2,252,533 (2019 - $1,874,462), which includes accounts payable of $6,736 and amounts due to Fury Gold of $2,760,618. The Company's accounts payable are due within 12 months and the amounts due to Fury Gold are repayable on demand. Additionally, the Company is obligated to pay in perpetuity an annual payment of $50,000 pursuant to certain royalty arrangements on the Homestake Ridge project.

With no source of operating cash flow, there is no assurance that sufficient funding will be available to conduct further exploration of its mineral property.

<u>Market risk</u>

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risk to which the Company is exposed is as follows:

i. The Company is Price risk

The Company holds certain investments in marketable securities (note 4) which are measured at fair value, being the closing share price of each equity security at the date of the consolidated statement of financial position. The Company is exposed to changes in share prices which would result in gains and losses being recognized in the loss for the year. A 10% increase or decrease in the Company's marketable securities' share prices would not have a material impact on the Company's net loss.

Note 11: Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration, and development of resource properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or debt, acquire, or dispose of assets, or adjust the amount of cash and investments.

In order to maximize ongoing development efforts, the Company does not pay out dividends, does not have any long-term debt, and is not subject to any externally imposed capital requirements.

The capital of the Company was determined as follows:

At December 31	**2020**	2019
Equity	**$ 13,875,593**	$ 14,253,664
Less: cash	**(63,346)**	(21,682)
	$ 13,812,247	$ 14,231,982

Note 12: Income taxes

Income tax recovery provision

The reconciliation of the income tax recovery computed at statutory rates to the reported income tax recovery is:

	Years ended December 31	
	2020	**2019**
Loss before income taxes	**$ 378,071**	$ 1,033,163
Canadian federal and provincial income tax rates	**27%**	27%
Expected income tax recovery	**(102,079)**	(278,954)
Increase (decrease) in income tax recovery resulting from:		
Share-based compensation	**7,799**	31,358
Adjustment to tax estimates	**-**	177,181
Difference in future tax rates	**(12,559)**	(21,530)
Flow-through expenditures renunciation		199,139
Other	**-**	23,075
Change in unrecognized tax asset	**106,839**	(130,269)
Income tax recovery	**$ -**	$ -

Significant components of deferred tax asset and liabilities are:

At December 31	**2020**	2019
Non-capital losses carried forward	**$ 4,615,963**	$ 4,548,468
Share issuance costs	**39**	193
Investments	**44,854**	57,413
Mineral property interests	**(914,803)**	(966,327)
Unrecognized deferred tax assets	**$ 3,746,053**	$ 3,639,747

(Expressed in thousands of Canadian dollars, except where noted)

The Company has accumulated non-capital losses of approximately $17,096,160 (December 31, 2019 – $16,846,176) in Canada, which may be carried forward to reduce taxable income of future years. The non-capital losses will, if unused, expire between 2024 and 2041. The Company has not recognized any deferred tax assets at December 31, 2020 in respect of these non-capital losses due to the uncertainty that future operations will generate sufficient taxable income to utilize these non-capital losses.

The Company has nil accumulated capital losses (December 31, 2019 – nil) in Canada which may be carried forward indefinitely and used to reduce capital gains in future years.

Note 13: Subsequent Event

On December 6, 2021 Dolly Varden Silver Corp ("Dolly Varden") and Fury Gold announced that the companies had entered into a definitive agreement dated December 6, 2021 pursuant to which Dolly Varden will acquire from Fury Gold, through the acquisition of Fury's wholly-owned subsidiary, Homestake, a 100% interest in the Homestake Ridge project located adjacent to the Dolly Varden Project and together with the Homestake Project, form the "Kitsault Valley Project" in the Golden Triangle, British Columbia (the "Transaction"). The Transaction values the Homestake Project at CAD$50 million for which Dolly Varden will pay $5 million in cash and issue 76,504,590 Dolly Varden common shares to Fury. Upon completion of the Transaction, Fury will own approximately 36.9% of Dolly Varden on an outstanding basis.

The Transaction is subject to a number of closing conditions, including the receipt of TSX Venture Exchange approval and the satisfaction of certain other closing conditions customary for a transaction of this nature. The Transaction is also subject to approval by a simple majority of the votes cast by Dolly Varden shareholders at a Dolly Varden shareholders meeting.

APPENDIX C
INFORMATION CONCERNING THE POST-CLOSING COMPANY

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ADDENDA

INFORMATION CONCERNING THE POST-CLOSING COMPANY

The following is a summary of the Post-Closing Company, its business and operations, which should be read together with the detailed information and financial data and statements contained elsewhere in this Circular. The information contained in this Appendix C, unless otherwise indicated, is given as of January 21, 2022.

All capitalized terms used in this Appendix C and not defined herein have the meaning ascribed to such terms in the "*Glossary*" or elsewhere in this Circular. The following contains significant amounts of forward-looking information. Readers are cautioned that actual results may vary. See also in this Circular, "*Cautionary Note Regarding Forward-Looking Statements*".

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

CORPORATE STRUCTURE

Name, Address and Incorporation

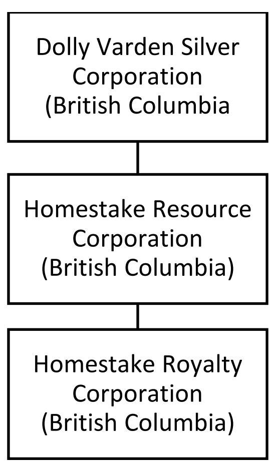
Upon completion of the Transaction, the Post-Closing Company will continue to be "Dolly Varden Silver Corporation", a company existing under the BCBCA. At the closing of the Transaction, the Dolly Varden will acquire all of the issued and outstanding shares of Homestake and each of Homestake and Homestake Royalty will be a wholly-owned subsidiary of the Company.

The Post-Closing Company will continue to have its head office at 1800-555 Burrard St. Vancouver, BC V7X 1E5 and registered and records office at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8.

Intercorporate Relationships

Prior to Closing of the Transaction, Dolly Varden does not have any subsidiaries.

The Post-Closing Company will hold a 100% direct or indirect interest in two subsidiaries. The following chart sets forth the relationship between the Post-Closing Company and its direct and indirect subsidiaries following completion of the Transaction.



DESCRIPTION OF THE BUSINESS OF THE POST-CLOSING COMPANY

The Post-Closing Company will continue Dolly Varden's mineral exploration efforts focused in the Golden Triangle region of northwestern British Columbia. The nature of Dolly Varden's business and business plan will remain unchanged. The acquisition of Homestake will increase the size of Dolly Varden's property portfolio by 7,484.37 Ha or 71.5% up to a total of 17,951.14 Ha under management. The combined properties (to be known as the Kitsault Valley Project) will allow for new and expanded exploration opportunities, especially along the border between the adjacent claim blocks.

On completion of the Transaction, the Post-Closing Company will hold a 100% interest in the Kitsault Valley Project (the combined Homestake Ridge Project and Dolly Varden Project), among the largest high-grade, undeveloped precious metal assets in Western Canada with a combined mineral resource base of 34.7 million ounces of silver and 166 thousand ounces of gold in the Indicated category and 29.3 million ounces of silver and 817 thousand ounces of gold in the Inferred category. The Post-Closing Company will also hold the nearby Big Bulk copper-gold property. These projects are considered to be highly prospective for hosting high-grade precious metal deposits.

Production and Operations

At present, the Dolly Varden Project, the Homestake Ridge Project and the nearby Big Bulk copper-gold property are all considered exploration stage projects, and consequently have no current operating income, cash flow or revenues. There is no assurance that commercially viable mineral deposits exist on the any of the Post-Closing Company's properties.

Specialized Skills and Knowledge

All aspects of the business of the Post-Closing Company will require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mine construction, mine operation and accounting. Dolly Varden retains, and the Post-Closing Company will continue to retain, executive officers, employees and consultants with relevant experience in mining, geology, exploration, development and accounting experience.

Competitive Conditions

As a mineral exploration and development company with a focus in the Golden Triangle region of northwestern British Columbia, the Post-Closing Company may compete with other entities, the majority of which have greater financial resources than the Post-Closing Company will have, in the mineral exploration and development business in various aspects of the business including: (a) seeking out and acquiring mineral exploration and development properties; (b) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising the capital necessary to fund its operations. The mining industry is intensely competitive in all its phases, and the Post-Closing Company may compete with other companies that have greater financial resources and technical facilities. The ability of the Post-Closing Company to acquire and retain mineral properties in the future will depend on its success with its existing properties and the Homestake Ridge Project**,** its success in identifying and staking additional mineral properties, its ability to enter into future earn-in, joint venture, royalty and similar agreements and its ability to obtain additional financing to fund further exploration activities. Competition could adversely affect the Post-Closing Company's ability to acquire suitable properties or prospects in the future, retain staff members or to raise the capital necessary to continue with operations.

Components

Over the past several years, increased mineral exploration activity on a global scale has made some services difficult to procure, particularly skilled and experienced contract drilling personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities during the current period. Such delays could significantly affect the Post-Closing Company if, for example, commodity prices fall significantly, thereby reducing the opportunity the Post-Closing Company may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that the Post-Closing Company waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs.

Cycles

The Post-Closing Company will remain an exploration-stage mining company. At this time, issues of seasonality or market fluctuations have a minor impact on the expenditure patterns, although the majority of exploration costs are incurred in the months of May through October. The mineral exploration business is subject to mineral price cycles. The marketability of minerals and mineral concentrates and the ability to finance the Post-Closing Company's ongoing mineral exploration activities on favourable terms will also be affected by worldwide economic cycles.

Environmental Protection

All aspects of the Post-Closing Company's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. The Post-Closing Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties.

Dolly Varden is, and the Post-Closing Company will continue to be, committed to sound environmental management. It is the intent of the Company to conduct itself in partnership with the environment and community at large as a responsible and caring corporate citizen. The Company is committed to managing all phases of its business in a manner that minimizes any adverse effects of its operations on the environment.

General Development of the Business

Year Ended December 31, 2019

On June 28, 2019, Dolly Varden announced the closing of a private placement financing to raise gross proceeds of approximately $3.0 million from the sale of 12,000,000 Common Shares that qualify as "flow-through shares" as defined under the Tax Act at a price of $0.25 per flow-through Common Share. Pursuant to an Ancillary Rights Agreement between Hecla and Dolly Varden dated September 4, 2012, Hecla exercised its anti-dilution right and acquired 701,351 Common Shares at a price of $0.20 per share to retain its pro-rata equity interest in Dolly Varden. These securities were in addition to those issued as part of the financing.

On September 12, 2019, Dolly Varden announced the closing of a private placement financing to raise gross proceeds of approximately $3.5 million from the sale of 5,714,286 Common Shares that qualify as "flow-through shares" as defined under the Tax Act at a price of $0.35 per Common Share, and 5,000,000 Common Shares at a price of $0.30 per Common Share. This offering was fully subscribed and included a strategic investment by Mr. Eric Sprott through a company beneficially owned by him, 2176423 Ontario Ltd., which acquired 5,714,286 Common Shares at the price of $0.235 per Common Share. Pursuant to the Ancillary Rights Agreement, Hecla exercised its anti-dilution right and acquired 1,246,675 Common Shares at a price of $0.30 per Common Share. These securities were in addition to those issued as part of the financing.

An updated NI 43-101 compliant mineral resource estimate was released on May 8, 2019 for the Dolly Varden Project.

Results of the first phase of the preliminary metallurgical testing were released by the Company on May 8, 2019. A silver recovery of 86.9% was obtained from the Torbrit Deposit and a silver recovery of 85.6% was obtained from the Dolly Varden Deposit, both based on the kinematics curves from bottle roll cyanide leach tests over a period of

96 hours. The tests were performed on drill core composite samples from the Torbrit Deposit with a head grade of 290 g/t Ag, and the Dolly Varden Deposit with a head grade 372 g/t Ag. Metallurgical testing was conducted in the laboratories of Blue Coast Research Ltd., in Parksville, British Columbia, Canada.

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

Highlights of the 2019 drilling program included the Chance Target Area: 24.9 metres grading 385 g/t Ag, including 4.7 metres grading 1,607 g/t Ag in hole DV19-165 and 15.2 metres grading 488 g/t Ag, including 5.6 metres grading 1,044 g/t Ag in hole DV19-173.

Year Ended December 31, 2020

On February 18, 2020, Dolly Varden announced it had appointed Shawn Khunkhun as President, CEO, and Director, and appointed Robert McLeod as a Director and technical advisor. Shawn Khunkhun took over for Gary Cope, who left Dolly Varden to pursue other business interests. Furthermore, the following officers stepped down from their roles: Carla Hartzenberg, CFO; Alex Tsakumis, VP Corporate Development; and Ben Whiting, VP Exploration.

On March 2, 2020, Dolly Varden announced it had appointed Ann Fehr as Chief Financial Officer and Corporate Secretary. She took over for Carla Hartzenberg, CFO, who had resigned previously.

On March 23, 2020, Dolly Varden announced it had retained a new team of technical mining professionals focused on growing and advancing silver resources. This team consists of the following individuals: Ryan Weymark, Technical Advisor, Engineering; Jodie Gibson, Technical Advisor, Geology; and Marilyne Lacasse, Project Geologist. Dolly Varden also appointed a new Investor Relations Representative to enhance shareholder communications and investor awareness, being Alex Horsley.

On June 11, 2020, Dolly Varden announced the closing of two private placement financings to raise aggregate gross proceeds of approximately $7.68 million, consisting of the sale of: (i) 6,969,697 common shares in the capital of Dolly Varden at a price of $0.33 per Common Share; and (ii) 10,000,000 Common Shares that qualify as "flow-through shares" as defined in the Tax Act at a price of $0.45 per Common Share. The offerings were fully subscribed and included a strategic investment by Mr. Eric Sprott and a company beneficially owned by him, 2176423 Ontario Ltd., by collectively acquiring 8,969,697 Common Shares. 2176423 Ontario Ltd. purchased 2,000,000 Common Shares at the price of $0.30 per Common Share, and Mr. Sprott purchased 6,969,697 Common Shares at the price of $0.33 per Common Share.

On June 10, 2020, Hecla also announced its wholly owned subsidiary acquired an aggregate of 2,424,335 Common Shares of Dolly Varden in two tranches, in relation to the above financings and pursuant to its anti-dilution rights in the Ancillary Rights Agreement. The first tranche of the subscription consisted of 1,311,989 common shares at a price of $0.33 per Common Share. The second tranche consisted of $1,112,346 Common Shares at a price of $0.40 per Common Share.

On August 21, 2020, Dolly Varden announced the closing of a private placement financing to raise gross proceeds of approximately $10,000,000 from the sale of 14,084,500 units at a price of $0.71 per unit. Each unit is comprised of one Common Share of Dolly Varden and one-half of a Common Share purchase warrant (a "**Warrant Share**") at an exercise price of $1.10 per Warrant Share for a period of 24 months from the closing of the financing. However, if any time prior to the expiry date of the warrants, the closing price of the common shares on the TSXV, or other principal exchange on which the Common Shares are listed, becomes greater than $1.75 for 10 consecutive trading days, Dolly Varden may, at its discretion, and at any time going forward, within 15 days of the occurrence of such event, deliver a notice to the holders of warrants accelerating the expiry date of the warrants to the date that is 30 days following the date of such notice. This offering included a strategic investment by Mr. Eric Sprott through a company beneficially owned by him, 2176423 Ontario Ltd., which acquired 2,500,000 units for the price of $0.71 per unit. Pursuant to the Ancillary Rights Agreement, Hecla exercised its anti-dilution right and acquired 1,881,896 units at the price of $0.71 per unit. These units were in addition to those issued as part of the financing.

In relation to the warrants issued in the August 21, 2020 financing, Dolly Varden entered a Warrant Indenture with Computershare Trust Company of Canada dated August 21, 2020, whereby Dolly Varden appoints Computershare Trust Company of Canada as warrant agent to hold the rights, interests and benefits for the warrant holders for a maximum number of 7,983,198 warrants.

On November 16, 2020, Dolly Varden announced the closing of a private placement financing to raise gross proceeds of approximately $7,000,000 from the sale of 7,070,000 common shares that qualify as "flow-through shares" as defined under the Tax Act at a price of $1.00 per Common Share. Pursuant to the Ancillary Rights Agreement, Hecla exercised its anti-dilution right and acquired 807,846 Common Shares at a price of $0.89 per Common Share. These securities were in addition to those issued as part of the financing.

On December 7, 2020, Dolly Varden announced its acquisition of surface rights and fee simple lands within the community of Alice Arm located on the Pacific Ocean in Northwest BC in support of exploration infrastructure. The surface rights include: the lands where the exploration camp, offices, logging and sampling facilities, as well as core storage areas are currently located. In addition, one parcel is located at waterfront with the potential to construct deep water loading facilities. The total package had been previously leased annually by Dolly Varden from private owners. The transaction involved a payment of $150,000 in cash and $150,000 in fully paid Common Shares of Dolly Varden issued at a deemed price per share equal to the 10-day simple average of the closing price of the shares on the TSXV immediately preceding the issue date. While Dolly Varden has title to the underlying mineral leases, it does not intend to conduct exploration on them.

2020 exploration highlights included the results from nine drill holes of infill and expansion drilling that were reported in a news release on October 7, 2020:

<u>Highlights from Torbrit step out drilling:</u>
- DV20-211: 351 g/t silver over 12.75 meters, including 1083 g/t silver over 2.70 meters
- DV20-213: 135 g/t silver over 37.50 meters, including 906 g/t silver over 1.00 meter

<u>Highlights from infill drilling within the deposit to delineate high grade zones:</u>
- DV20-217: 302 g/t silver over 31.95 meters, including 642 g/t silver over 4.00 meters

The Company initiated the 2020 exploration drilling program on July 27, 2020 and drilling was completed by October 17, 2020. A total of 11,396.75 meters in 40 drill holes were drilled. 19 holes were completed in the Torbrit area and 21 reconnaissance and exploration drill holes were drilled, testing multiple areas on the Dolly Varden Project.

Company records of historic mining operations at the Torbrit and Dolly Varden Mines produced average grades of 500 g/t silver at Torbrit and 1,100 g/t silver at Dolly Varden. Silver mineralization came from Native Silver, Argentiferous Galena and Ruby Silver (pyrargyrite).

Year ended December 31, 2021 and subsequent

On February 16, 2021, the Company released results from the remaining assays from the 2020 drill program. Highlights demonstrate consistent intervals of high-grade silver mineralization at Torbrit:
- DV20-222: 310 g/t silver over 6.00 metres;
- DV20-244: 304 g/t silver over 45.82 metres, including 648 g/t silver over 6.06 metres; and
- DV20-246: 306 g/t silver over 5.10 metres, including 1,290 g/t silver over 0.60 metre.

Note: The true width of intercepts is estimated to be 80-95% of the Core Length (m) reported using the current understanding of the three-dimensional nature of the mineralization and grade models at Torbrit. Interval lengths are constrained by grade values within the mineralization envelope. Recoveries on the individual metals have not been applied to composite calculations which are reported at 100%.

On July 3, 2021, the drilling program commenced, which had a planned surface diamond drill program of 10,000 metres split 50/50 between infill and expansion of the high-grade, potentially bulk-mineable silver resource at the Torbrit deposit and regional exploration of multiple, highly prospective targets throughout the Dolly Varden Project. The 2021 drilling program is the first phase of a two-year goal to aggressively expand and upgrade the Torbrit Silver deposit.

On December 20, 2021 the Company released drill results and highlighted the following:

- At the Wolf Deposit, drill hole DV21-273 tested the southwest projection of the Wolf Vein, 94m down plunge from the current mineral resources, intersecting 1,532 g/t Ag, 0.44 g/t Au, 2.11 % Pb and 1.07% Zn over 1.22m core length within a brecciated sulphide-rich quartz vein hosted within a broader pyrite stockwork breccia zone of 17.50m averaging 214 g/t Ag and 0.47% Pb.
- In other regional exploration drilling, Dolly Varden's technical team was highly encouraged by long intervals of stockwork quartz with strongly anomalous gold (>100 ppb) over wide intervals (up to 303 meters) along with silver and copper at the Western Gold Belt Area. Hosted within early Jurassic volcanic rocks, this style of stockwork and alteration is analogous to numerous alkalic gold-copper deposits and mines in British Columbia. The Company plans appropriate geophysical surveys for porphyry-style mineralization and subsequent follow-up drilling in this area.
- A total of 10,506m in 31 diamond drill holes were completed at the Dolly Varden Project during the 2021 field season. Results have been received for 10 holes that tested five regional exploration targets on the Property including the Wolf Vein extension and Western Gold-Copper Belt. Assays will be announced in the near future for the 21 holes completed at the high-grade Torbrit and Kitsol Silver Deposits. The 21 near-Resource holes were drilled as part of a two phase program with the objective of expanding resources as well as upgrading current inferred resources to measured and indicated classification.

On November 9, 2021, Dolly Varden announced that Andrew Hamilton, P. Geo., had joined as Senior Geologist.

On November 16, 2021, Dolly Varden announced it graduated from the Pink Open Market and commenced trading on the OCTQX Best Market, the highest tier of the OTC Markets Group, under the symbol "DOLLF".

On December 6, 2021, Dolly Varden and Fury announced they had entered into the Purchase Agreement with respect to the Transaction. See "*Overview of the Transaction*", "The *Purchase Agreement*", "*The Investor Rights Agreement*", "*Cautionary Note Regarding Forward-Looking Statements*", and "*Risk Factors*" in this Circular.

Mineral Projects

The core assets of the Post-Closing Company will be the 100% owned Dolly Varden Project and the 100% owned Homestake Ridge Project.

The Dolly Varden Project is located near the central west coast of British Columbia (BC), approximately 46 km southeast of Stewart and 23 km northeast of Alice Arm, BC in the so-called Golden Triangle of north-central British Columbia. The Dolly Varden Project is situated within the Stewart Complex, a metallogenic island arc terrane that is host to over 200 mineral occurrences of predominantly precious metal vein type, skarn, porphyry and massive sulphide occurrences. The Dolly Varden Project is the subject of the Dolly Varden Project Report, which calculated a current Mineral Resource Estimate for the Dolly Varden Project that contains 32.9 million ounces of silver in the indicated category (at an average grade of 299.8 g/t Ag) and 11.4 million ounces of silver in the Inferred category (at an average grade of 277.0 g/t Ag) within a 7,800 hectare land package located contiguous to and southeast of the Homestake Ridge Project. For further information regarding the Dolly Varden Project, see Exhibit 1 to this Appendix C.

The Homestake Ridge Project is also located in the so-called Golden Triangle of north-central British Columbia. The Homestake Ridge Project comprises 7,484.37 hectares (ha) of mineral claims and crown grants and is located approximately 32 km north-northwest of the tidewater communities of Alice Arm and Kitsault, BC. The Homestake Ridge Project's southern boundary is located approximately four kilometres from the Dolly Varden Project. The Homestake Ridge Project Report stated a current Mineral Resources Estimate for the Homestake Project that contains 165,993 ounces of gold and 1.8 million ounces of silver in the Indicated category (at an average grade of 7.02 g/t Au and 74.8 g/t Ag) and 816,719 ounces of gold and 17.8 million ounces of silver in the Inferred category (at an average grade of 4.58 g/t Au and 100.0 g/t Ag) within a 7,500 hectare land package located contiguous to and northwest of the Dolly Varden Project. For further information regarding the Homestake Ridge Project, see Exhibit 2 to this Appendix C.

Prior to the Homestake Ridge Project Report, the Homestake Ridge Project was the subject of an NI 41-101 compliant mineral resources estimate and preliminary economic analysis referred to herein as the "Previous Homestake Project Report". At this time, Dolly Varden has decided not to renew and update the primary economic assessment contain in the Previous Homestake Project Report and rather to wait until potential synergies with respect to combining the two adjacent properties can be analyzed. For that reason, the Homestake Ridge Technical Report does not contain an updated preliminary economic analysis with respect to the Homestake Ridge Project.

DIVIDENDS

To date, the Company has not paid any dividends on its outstanding Common Shares. There will be no restrictions in the Post-Closing Company's articles or elsewhere prohibiting it from paying dividends following Closing of the Transaction, other than customary general solvency requirements.

Any decision to pay dividends on the Common Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. In the immediate future, Dolly Varden does not anticipate any earnings arising from which dividends could be paid.

PRO FORMA FINANCIAL INFORMATION

Selected Pro-Forma Financial Information

The unaudited pro-forma condensed consolidated financial statements of the Post-Closing Company as at and for the nine months ended September 30, 2021 and for the year ended December 31, 2020 (the "**Pro-Forma Financial Statements**") and accompanying notes are included in Exhibit 3 to this Appendix C. The Pro-Forma Financial Statements have been compiled from the underlying financial statements of Dolly Varden and Homestake, both of which have been prepared in accordance with IFRS, in order to illustrate the Post-Closing Company's financial circumstances immediately following the Transaction.

The unaudited pro-forma consolidated statement of loss and comprehensive loss for the nine-months ended September 30, 2021 combines the unaudited historical consolidated statement of loss and comprehensive loss of Dolly Varden and Homestake for the period from January 1, 2021 until September 30, 2021, to give effect to the Transaction as if it had occurred on January 1, 2021. The unaudited pro-forma consolidated statement of financial position as at September 30, 2021 combines the historical unaudited consolidated statement of financial position of Dolly Varden and the historical unaudited consolidated statement of financial position of Homestake, as at that date, to give effect to the Transaction as if it had occurred on September 30, 2021. The Pro-Forma Financial Statements do not purport to project Dolly Varden or Homestake's respective consolidated financial positions or the results of operations for any future period.

The Pro-Forma Financial Statements are based on certain assumptions and adjustments. The tables below set out certain pro-forma financial information for the Post-Closing Company after giving effect to the Transaction and certain other adjustments which include how cash and assets are impacted by the acquisition as well as how the historical share capital of Homestake gets eliminated upon consolidation.

The pro-forma financial information provided below and the Pro-Forma Financial Statements are provided for illustrative purposes only and are not necessarily indicative of: (i) the financial results that would have occurred had the Transaction actually occurred at the time contemplated by the notes to the unaudited pro-forma consolidated financial statements; or (ii) the results expected in future periods.

	Dolly Varden Silver Corporation	**Homestake Resource Corporation**	**Pro forma Adjustments**	**Pro Forma**
ASSETS				
Current Assets	17,915,395	166,609	(5,125,359)	12,956,645
Non-Current Assets	4,366,783	16,528,126	33,937,536	54,832,445
TOTAL ASSETS	$ 22,282,178	$ 16,694,735	$ 28,812,177	$ 67,789,090
LIABILITIES				
Current Liabilities	1,125,423	3,412,076	(2,319,076)	2,218,423
Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	1,125,423	3,412,076	(2,319,076)	2,218,423
TOTAL SHAREHOLDERS' EQUITY	21,156,755	13,282,659	31,131,253	65,570,667
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 22,282,178	$ 16,694,735	$ 28,812,177	$ 67,789,090

The above pro forma amounts are based partly on estimates which have been made by management of Dolly Varden regarding the Transaction, based on information available and the share price on the date of the Transaction. Amendments will be made to these amounts and ultimately reflected in the Company's financial statements as values subject to estimates are finalized when the Transaction is closed.

Please note that the fair values of the mineral projects reflected in the Pro-Forma Financial Statements are intended to represent estimates of the projects' fair value and are calculated in accordance with IFRS. However, such fair values calculated in accordance with IFRS may not be indicative of the future realizable value of such projects and readers are cautioned that future realizable values of such projects may differ significantly from current fair value estimates.

Pro-Forma Consolidated Capitalization

The following table sets forth the capitalization of Dolly Varden before and after giving effect to the Transaction:

	Number of shares	**Amount**
Outstanding common shares of Dolly Varden on September 30, 2021	130,862,861	$ 80,163,414
Subsequent common shares issued pursuant to exercise of stock options	125,000	41,250
Issuance of common shares pursuant to the Transaction[1,2]	76,504,590	44,372,662
Pro Forma share capital	207,492,451	$ 124,577,326

Notes:

(1) The estimated fair value of the Common Shares was determined based on the share price on the date of the Purchase Agreement. On December 6, 2021, the Common Shares had a closing price per Common Share of $0.58.

(2) The issuance of Common Shares to Fury in connection with the Transaction will trigger the provisions of the Ancillary Rights Agreement between the Company and Hecla. Pursuant to the Ancillary Rights Agreement, Hecla is entitled to acquire such number of Common Shares so as to maintain its pro-rata equity interest in Dolly Varden. At this time, Hecla has not provided feedback regarding if it will elect to exercise its pro rata rights under the Ancillary Rights Agreement. If Hecla elected to exercise its pro rate rights in full, it would be entitled to acquire up to 9,126,006 additional Common Shares at a price of $0.588 per Common Share in connection with the completion of the Transaction. Such issuance would be in addition to the Common Shares issuable to Fury.

Homestake had no share purchase warrants or stock options outstanding as at the date of this Circular.

DESCRIPTION OF SECURITIES OF THE POST-CLOSING COMPANY

Based on the number of Common Shares outstanding as of the date of this Circular, the Post-Closing Company will have 207,492,451 Common Shares, 7,297,500 Options to purchase 7,297,500 Common Shares, 58,270 DSUs, and 8,828,268 Warrants issued and outstanding upon Closing of the Transaction.

Common Shares

The authorized capital of the Post-Closing Company will be the same as the currently authorized share capital of Dolly Varden. The Post-Closing Company will be authorized to issue an unlimited number of common shares without par value. The Post-Closing Company will have only one class of securities.

All of the Common Shares will rank equally as to voting rights, participation in a distribution of our assets on our liquidation, dissolution or winding-up and the entitlement to dividends. The Shareholders are entitled to receive notice of all meetings of shareholders and to attend and vote their Common Shares at such meetings. Each Common Share carries with it the right to one vote. In the event of the Post-Closing Company's liquidation, dissolution or winding-up or other distribution of our assets, the Shareholders will be entitled to receive, on a pro rata basis, all of our assets remaining after we have paid out our liabilities. Distribution in the form of dividends, if any, will be set by the Board of the Post-Closing Company.

TRADING PRICE AND VOLUME

The Common Shares are listed for trading on the TSXV under the symbol "DV". The following table sets forth, for the 12-month period before the date of this Circular, details of the closing price ranges and total trading volume, on a monthly basis, of the Common Shares traded through the facilities of the TSXV:

Period	High ($)	Low ($)	Volume
January 1-21, 2022	$0.83	$0.62	2,216,289
December 2021	$0.75	$0.54	3,234,922
November 2021	$0.65	$0.48	2,007,302
October 2021	$0.55	$0.45	1,784,439
September 2021	$0.63	$0.44	3,140,776
August 2021	$0.64	$0.51	2,146,545
July 2021	$0.65	$0.42	3,825,883
June 2021	$0.78	$0.60	2,305,784
May 2021	$0.83	$0.63	3,149,081
April 2021	$0.71	$0.61	2,349,248

Period	High ($)	Low ($)	Volume
March 2021	$0.80	$0.61	4,763,446
February 2021	$0.97	$0.62	8,488,670
January 2021	$0.98	$0.62	5,806,787
December 2020	$0.97	$0.75	5,387,698

On December 3, 2021, the last trading day before the date of the announcement of the Transaction, the closing price of the Common Shares on the TSXV was $0.59 per Common Share. On January 21, 2022, the date of this Circular, the closing price of the Common Shares on the TSXV was $0.75 per Common Share.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

At closing of the Transaction, Dolly Varden and Fury have agreed to enter into the Investor Rights Agreement pursuant to which Fury has agreed to not, sell or trade its Consideration Shares until after the one-year anniversary of Closing. Anytime after the one-year anniversary of the Closing, Fury is entitled to sell the Consideration Shares subject to certain volume limitations set out in the Investor Rights Agreement and so long as it provides Dolly Varden with the opportunity to arrange for preferred purchasers of such Consideration Shares for sale. See "*The Investor Rights Agreement*" in this Circular.

To the knowledge of the Company, the following table describes the number of Common Shares that are expected to be held in escrow or subject to contractual restrictions on transfer after the Closing and the percentage of the Common Shares that number represents:

Designation of Class	Number of Securities that Will be Held in Escrow or that Will be Subject to a Contractual Restriction on Transfer	Percentage of Class(1)
Common Shares(2)	76,504,590	36.9%

Notes:

(1) Based on 207,492,451 Common Shares expected to be outstanding following Closing of the Transaction and without inclusion of any Common Shares that Hecla may elect to purchase pursuant to its pre-emptive rights under the Ancillary Rights Agreement in respect of the transaction

(2) The Common Shares to be held by Fury subject to contractual restrictions on transfer will not be held in a depositary

PRINCIPAL SECURITYHOLDERS

Prior to the completion of the Transaction, Fury does not hold any Common Shares. As partial consideration under the Purchase Agreement, the Company has agreed to issue 76,504,590 Common Shares to Fury, representing approximately 36.9% of the Common Shares on an undiluted pro-forma basis. Based on the number of Common Shares outstanding as of the date of this Circular, it is anticipated that there will be approximately 207,492,451 Common Shares outstanding (including Consideration Shares issued to Fury) upon completion of the Transaction and 7,297,500 stock options, exercisable for an aggregate of 7,297,500 Common Shares.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, or as noted below, following Closing of the Transaction, no person or company will beneficially own directly or indirectly, control, or direct Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares, except:

1. Eric Sprott, through direct or indirect means, owns, controls or directs a total of 22,183,982 Common Shares, representing a total of 10.7% of the issued and outstanding Common Shares; and

2. Fury Gold Mines Ltd. will exercise control or direction over 76,504,590 Common Shares, representing 36.9% of the Common Shares issued and outstanding.

As of the date of this Circular, Hecla Canada Ltd. exercises control or direction over 13,869,729 Common Shares, which would represent 6.7% of the undiluted proforma number of Common Shares issued and outstanding after the Transaction. Pursuant to the Ancillary Rights Agreement, Hecla is entitled to acquire such number of Common Shares so as to maintain its current pro-rata equity interest in Dolly Varden. At this time, Hecla has not provided feedback regarding if it will elect to exercise its pro rata rights under the Ancillary Rights Agreement. If Hecla elected to exercise its pro rate rights in full, it would be entitled to acquire up to 9,126,006 additional Common Shares at a price of $0.588 per Common Share in connection with the completion of the Transaction. Such issuance would be in addition to the Common Shares issuable to Fury and would allow Hecla to maintain their pro-rata interest in Dolly Varden at 10.6%.

DIRECTORS AND EXECUTIVE OFFICERS

Following the Closing of the Transaction, it is anticipated that the Board of the Post-Closing Company will comprise eight directors, consisting of members of the current Board, Shawn Khunkhun, James Sabala, Donald Birak, Darren Devine, Thomas Wharton and Robert McLeod, together with two Fury nominees, Forrester (Tim) Clark and Michael Henrichsen, who are also expected to be appointed to the Board at Closing of the Transaction.

The Post-Closing Company's senior management is expected to be the same as Dolly Varden's current senior management, which is comprised of Shawn Khunkhun, Chief Executive Officer and President; Ann Fehr, Chief Financial Officer and Corporate Secretary; and Robert Van Egmond, P.Geo, Chief Geologist.

The table sets out the names of the anticipated directors of the Post-Closing Company, anticipated senior offices and positions with the Post-Closing Company, each director's principal occupation, business or employment for the five preceding years and the number of Common Shares and DSUs of the Post-Closing Company beneficially owned by each person, directly or indirectly, or over which each exercised control or direction, upon closing of the Transaction.

Name, Jurisdiction of Residence, and Present Office Held	**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)] British Columbia, Canada *Director, President, and CEO*	February 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)(3)(5)] Idaho, USA *Director*	October 7, 2016	Nil	Retired businessman; director of Thunder Mountain Gold Inc.; and former CFO and Senior VP of Hecla Mining Company.
Donald Birak[(3)(4)] Idaho, USA *Director*	July 20, 2015	75,000 Common Shares 29,135 DSUs	Independent consulting geologist; director of Revival Gold and of Blackwolf Copper and Gold, Technical Advisor to the Board of Guyana Goldstrike.
Darren Devine[(2)(4)] British Columbia, Canada *Director and Chairman*	August 25, 2016	Nil	Principal of CDM Capital Partners.

Name, Jurisdiction of Residence, and Present Office Held	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
Thomas Wharton[(1)(4)] Nebraska, USA *Director*	July 20, 2015	1,000,000 Common Shares 29,135 DSUs	Business consultant; director of Angel Gold Corp.; director of Chakana Copper Corp.; and former director of Ely Gold Royalties Inc.
Robert McLeod[(2)] British Columbia, Canada *Director*	February 18, 2020	40,000 Common Shares	President, CEO and director of Blackwolf Copper and Gold; past President, CEO and Director of IDM Mining Ltd.
Forrester (Tim) Clark[(1)] Massachusetts, United States *Director*	Upon Closing	Nil	CEO & Director of Fury; Managing Director at BMO Capital June 2014 to December 2020.
Michael Henrichsen British Columbia, Canada *Director*	Upon Closing	Nil	Consulting geologist; SVP Exploration at Fury, Chief Geologist at Torq Resources Inc., Chief Geologist at Sombrero Resources Inc., Chief Geologist at Tier One Metals Inc., Director, President & Secretary at RV Mineral Exploration Consulting Ltd
Ann Fehr British Columbia, Canada *CFO and Corporate Secretary*	March 1, 2020	Nil	Consultant at Fehr & Associates, including holding a part time CFO position for Dolly Varden Silver Corporation since March 2020.
Robert Van Egmond, P.Geo British Columbia, Canada *Chief Geologist*	January 1, 2017	Nil	Chief Geologist at Dolly Varden Silver Corporation

Notes:
(1) Member of the Audit Committee
(2) Member of the Nominating and Governance Committee
(3) Member of the Health, Safety and Environment Committee
(4) Member of the Compensation Committee
(5) Nominated to the Board by Hecla Canada Ltd. pursuant to an Ancillary Rights Agreement between the Company and Hecla Canada Ltd.
(6) Nominated to the Board by Fury pursuant to the Investor Rights Agreement.

Immediately following the closing of the Transaction, the directors and senior officers of the Post-Closing Company are expected to beneficially own, directly or indirectly, or exercise control or direction over approximately 1,115,000 Common Shares or 0.5% of the issued and outstanding Common Shares.

The directors of the Post-Closing Company will hold office until the next annual meeting of the Shareholders or until their successor is duly appointed, unless their office is earlier vacated in accordance with the articles of the Post-Closing Company or the BCBCA. Six of eight directors of the Post-Closing Company are expected to be considered independent directors of the Post-Closing Company. It is expected that the Post-Closing Company will maintain the existing board committees. Committee positions will be determined by the Board as needed.

Biographical Information Regarding the Directors and Officers

The following are brief profiles of the officers and directors of the Company, including a description of such individual's principal occupation within the past five years.

Shawn Khunkhun – Director, President and CEO

Mr. Khunkhun has over 18 years of experience in the capital markets, mineral exploration and development sector with a focus on enhancing shareholder value. He has served in a variety of strategic roles including Investor Relations, Corporate Development, CEO, and Director. Shawn has been instrumental in creating a new awareness for undervalued companies including grass roots explorers, developers and producers. Shawn's experience in incubating and growing early stage companies through capital raises, acquisitions, joint-ventures and spin outs and his longstanding relationships with an extensive global network of high net worth investors, private equity and institutional investors, analysts, brokers, and investment bankers has been a valuable asset to growing mineral exploration companies.

Darren Devine – Director and Chairman

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 board advisor to a number of junior public companies in the natural resource, technology and biotechnology sectors. In addition, he is currently an active member of the TSXV'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.

Donald J. Birak – Director

Mr. Birak is a geologist with over 42 years of experience in the minerals industry. He served as Senior Vice President of Exploration for Coeur Mining, Inc. ("**Coeur**") from 2004 to October 2013. Previous to his time at Coeur, he served as Vice President of Exploration with AngloGold North America, Independence Mining Company, and Hudson Bay Mining and Smelting. Mr. Birak received his Master of Science in Geology from Bowling Green State University, in Ohio. Mr. Birak is a Registered Member of the Society for Mining, Metallurgy and Exploration and a Fellow of the Australasian Institute of Mining and Metallurgy. He currently is an independent Consulting Geologist with the firm Birak Consulting, LLC.

James A. Sabala – Director

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 from February, 2015 to October 2016. Mr. Sabala graduated from the University of Idaho with a B.S. Business, Summa Cum Laude in 1978.

Robert McLeod – Director

Mr. McLeod is a professional geoscientist with over twenty-five years of experience in mineral exploration and mining, working for a variety of major and junior mining and exploration companies. He was most recently President and CEO of IDM Mining Ltd., that recently combined with Ascot Resources Ltd. Born and raised in Stewart B.C., he is a third-generation miner and explorer with significant exploration and development experience. Previously, he was a founder and VP Exploration of Underworld Resources that was acquired by Kinross Gold Corporation for $140M after an initial resource estimate of over 1.4Moz gold at the White Gold deposit in the Yukon. He is a highly technical, creative and innovative exploration geologist with an ability to advance and monetize the full potential of projects to the advantage of shareholders. He is a graduate of Geology from the University of British Columbia, with a M.Sc. in Mineral Exploration from Queens University. He is an active volunteer in the mining industry, as Vice-Chair of AMEBC, and as a director of the Britannia Mine Museum.

Thomas E. Wharton Jr. – Director

Tom Wharton brings over 30 years of business experience in the start‐up, development, operation, and financing of early stage companies and has served as CEO, CFO or as a board member for various private and publicly traded companies. Mr. Wharton obtained a Bachelor's degree in accounting from Creighton University in Omaha, NE. Since 2011, Mr. Wharton has worked as a consultant for various exploration and development stage mining companies, and investments focused on junior mining, oil & gas, and new technologies. Mr. Wharton is also a Director of Chakana Copper.

Forrester A. (Tim) Clark – Director

Mr. Clark is the Chief Executive Officer and a director of Fury. Mr. Clark was appointed a director of Fury on March 16, 2021 and as chief executive officer of Fury on August 18, 2021. Mr. Clark 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 has developed strong working relationships with Tier 1 institutional investors throughout the United States providing corporate strategy, and peer and financial analysis and insights on corporates within the materials, commodities, and mining sectors. Mr. Clark holds a Bachelor of Economics from the University of Massachusetts (Amherst) and a Master of Business Administration in Finance and Accounting from Vanderbilt University.

Michael Henrichsen, P. Geo – Director

Mr. Henrichsen is a structural geologist and is presently senior vice-president, exploration of Fury, where he leads the technical mining team. Mr. Henrichsen is also chief geologist for each of Coppernico Metals Inc., Tier One Silver Inc. and Torq Resources Inc. Mr. Henrichsen was the chief operating officer of Fury until October 8, 2020 and has served as senior vice-president, exploration since that date. Previously, Mr. Henrichsen was the global structural geologist at Newmont Mining Corp., where his contributions significantly increased the reserves and resources base in the Ahafo district in Ghana. Mr. Henrichsen has also worked extensively at other major gold camps in South America, the Carlin Trend, Guinea and Canada.

Ann Fehr – CFO and Corporate Secretary

Ms. Fehr CPA, CGA received her accounting designation in 1996 and has more than 25 years of business experience with management, complex transactions, corporate finance, financial reporting, governance, and regulatory compliance. She has held part-time officer positions for venture listed companies since 2009 and is the founder and president of Fehr & Associates, which provides consulting services to a number of mineral exploration company clients. Ms. Fehr and the accounting team at Fehr & Associates assists Dolly Varden team with financial management, reporting, administration and corporate governance.

Robert Van Egmond, P.Geo – Chief Geologist

Rob van Egmond is a professional geologist with over 25 years of experience in the international mining industry. His career encompasses a wide spectrum of experiences ranging from grass roots project generation to pre-feasibility level resource development and mine geology. He has worked with major mining companies (Cominco, BHP, Kennecott) and junior explorers (Orex Minerals, Platinum Group Metals, Candente, Northern Dynasty, Keewatin) gaining experience in a wide variety of commodities and deposit types spanning locations North and South America as well as Africa. Included in his experience are several years of exploration and pre-development work in the Iskut River/Golden Triangle area with Cominco. Mr. van Egmond holds a B.Sc. degree in geological sciences from the University of British Columbia and he is a member of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as described below, no proposed director or executive officer of the Post-Closing Company (or personal holding company) is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Dolly Varden, Fury or Homestake) that:

(i) was the subject of a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(ii) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Post-Closing Company (or personal holding company), or, to the knowledge of Dolly Varden or Fury's management, a potential Shareholder holding a sufficient number of Common Shares to affect materially the control of the Post-Closing Company:

(i) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Dolly Varden, Fury or Homestake) 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; or

(ii) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 director, executive officer or shareholder.

No director or executive officer of the Post-Closing Company (or personal holding company), or, to the knowledge of Dolly Varden or Fury's management, a potential Shareholder holding a sufficient number of Common Shares to affect materially the control of Post-Closing Company, has been subject to:

(i) any penalties or sanctions 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

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

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 and Thomas Wharton were acting as directors, 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.

EXECUTIVE COMPENSATION

Below is information regarding Dolly Varden's executive compensation policies for the years ended December 31, 2020 and 2019. It is expected that the Post-Closing Company will maintain the policies of Dolly Varden with respect to its officer and director compensation following the completion of the Transaction.

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company has appointed a Compensation Committee and adopted a Compensation Committee Mandate in order that the Compensation Committee may guide the compensation program. See Exhibit 5 to this Appendix C for a full copy of the Compensation Committee Mandate. 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:

(i) 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;

(ii) align management's interests with the long-term interest of Shareholders;

(iii) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and

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

The 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 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. Stock options are generally awarded to directors, officers, consultants and employees periodically at the discretion of the Board. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's 2012 Stock Option Plan, which was most recently approved by the Company's Shareholders at the annual general meeting held on June 22, 2021 (the "**Stock Option Plan**").

The 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 Stock Option Plan. The Company's directors, officers, employees and consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of senior management, employees and other consultants. The Board believes that the Stock Option Plan aligns the interests of the Named Executive Officers and the Board with Shareholders by linking a component of executive compensation to the longer- term performance of the Common Shares.

Options to purchase Common Shares under the terms of the Stock Option Plan (each, an "**Option**") are granted by the Board. In monitoring or adjusting the option allotments, the 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 Board. In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- the parties who are entitled to participate in the Stock 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 an Option grant.

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

Pursuant to the Stock Option Plan, the 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 Board but will in no event be less than the closing trading price of the Common Shares on the TSXV on the day before an 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 Mandate.

Summary of Compensation

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

(i) the chief executive officer (“**CEO**”) of the Company;

(ii) the chief financial officer (“**CFO**”) of the Company;

(iii) 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

(iv) 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 December31, 2020.

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

During the financial year ended December 31, 2020, the Company had four Named Executive Officers: Gary Cope, the former President and CEO; Shawn Khunkhun, the current President and CEO; and Carla Hartzenberg, the former CFO; and Ann Fehr, the current CFO and Corporate Secretary of the Company. 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, 2020, and 2019. 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 ($)**	**Valueof Perquisites ($)**	**Value of All other Compensation ($)**	**Total Compensation ($)**
Shawn Khunkhun[1], President, CEO, Director	2020 2019	208,276[7] Nil	55,000[7] Nil	Nil Nil	Nil Nil	Nil Nil	263,276 Nil
Ann Fehr[2], CFO	2020 2019	45,000[8] Nil	4,500[8] Nil	Nil Nil	Nil Nil	Nil Nil	49,500 Nil
Gary Cope[3], Former President and CEO	2020 2019	152,414[6] 240,000	Nil 40,000	Nil Nil	Nil Nil	120,000[6] Nil	272,414 280,000
Carla Hartzenberg[4], Former CFO	2020 2019	7,500 32,500	Nil 4,142	Nil N/A	Nil Nil	Nil Nil	7,500 36,642
Robert McLeod[5], Director	2020 2019	105,662[9] Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	105,662 Nil
Darren Devine, Director	2020 2019	10,000[10] 10,000	Nil Nil	18,000 18,000	Nil Nil	Nil Nil	28,000 28,000

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Valueof Perquisites ($)	Value of All other Compensation ($)	Total Compensation ($)
Donald Birak, Director	2020 2019	$3,800 Nil	Nil Nil	16,500 16,500	Nil Nil	Nil Nil	16,500 16,500
James Sabala, Director	2020 2019	Nil Nil	Nil Nil	15,000 15,000	Nil Nil	Nil Nil	15,000 15,000
Thomas Wharton, Director	2020 2019	19,253[11] Nil	Nil Nil	15,000 15,000	Nil Nil	Nil Nil	34,253 15,000
Annette Cusworth, Director	2020 2019	Nil Nil	Nil Nil	15,000 15,000	Nil Nil	Nil Nil	15,000 15,000

Notes:

(1) On February 18, 2020 Mr. Khunkhun was appointed as President, CEO and 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. Cope resigned as President, CEO and a director of the Company and received a termination fee.

(4) On February 28, 2020 Ms. Hartzenberg resigned as CFO. She was paid indirectly through Belcarra Group Management Ltd.

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

(6) A corporation controlled by Gary Cope received fees of $152,414 in cash and $120,000 in Common Shares as a termination fee.

(7) 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 $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.

(8) 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 $10,000 per month where $4,500 relates to the Chief Financial Officer Services.

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

(10) Paid to Chelmer Consulting, a company owned by Darren Devine for consulting fees.

(11) Paid to Wharton Consulting, a company owned by Thomas Wharton 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, 2020 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	Stock Options	2,000,000 1.5%	Feb 18, 2020	0.25	0.27	0.92	Feb 18, 2025
Robert McLeod	Stock Options	500,000 0.4%	Feb 18, 2020	0.25	0.27	0.92	Feb 18, 2025
Ann Fehr	Stock Options	120,000 0.1%	March1, 2020	0.25	0.24	0.92	Feb 28, 2025
Darren Devine, Director and Chairman	Stock Options	150,000 0.1%	March 23, 2020	0.25	0.22	0.92	March 17, 2025

Note:

(1) This amount is the closing market value of securities underlying the options on December 31, 2020, the last trading day of the Common Shares for the financial year, which was $0.92.

The following table discloses the total amount of compensation securities held by the Named Executive Officers and directors as at the Company's financial year ended December 31, 2020.

Name & Position	Number of Options	Exercise price	Vesting Provisions
Shawn Khunkhun, President, CEO, Director	1,000,000 1,000,000 performance options	$0.25 $0.25	Vests quarterly in equalinstallments over a period of twenty-four (24) monthsfrom Feb 18, 2020,375,000 vested at year ended Dec 31, 2020 250,000 of performance options vested at yearended Dec 31, 2020
Darren Devine, Director	150,000 50,000 50,000 150,000	$0.40 $0.40 $0.30 $0.25	Fully vested Fully vested Fully vested Vests quarterly in equalinstallments over a period of twenty-four (24) monthsfrom March 23, 2020, 56,250 vested at year ended Dec 31, 2020
Donald Birak, Director	225,000 50,000 50,000	$0.40 $0.40 $0.30	Fully vested
James Sabala, Director	150,000 50,000 50,000	$0.40 $0.40 $0.30	Fully vested

Name & Position	Number of Options	Exercise price	Vesting Provisions
Thomas Wharton, Director	225,000 50,000 50,000	$0.40 $0.40 $0.30	Fully vested
Annette Cusworth, Director	150,000 50,000 50,000	$0.40 $0.40 $0.30	Fully vested
Robert McLeod, Director	500,000	$0.25	Vests quarterly in equalinstallments over a period of twenty-four (24) monthsfrom Feb 18, 2020,250,000 vested at year ended Dec 31, 2020
Ann Fehr, CFO	120,000	$0.25	Vests 50% March 1, 2020, 50% in equal installmentsover a period of twenty- four (24) months from March 1, 2020, 82,500 vested at year ended Dec 31, 2020

Exercise of Compensation Securities by Directors and Named Executive Officers

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, 2020.

Exercise of Compensation Securities by Directors and Named Executive Officers							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security ($)	Date of exercise	Closing price per security on dateof exercise	Difference between exercise price and closing price on date of exercise	Total value on exercise date
Donald Birak, Director	Stock Options	75,000	0.30	October 23, 2020	0.85	0.55	41,250
Thomas Wharton, Director	Stock Options	75,000	0.30	October 22, 2020	0.86	0.56	42,000
Gary Cope, Former CEO[1]	Stock Options	200,000 150,000 150,000 150,000	0.40 0.40 0.40 0.30	November 16, 2020 October 16, 2020 October 9, 2020 September 29, 2020	0.82 0.87 0.83 0.91	0.42 0.47 0.43 0.61	84,000 70,500 64,500 91,500
Carla Hartzenberg, Former CFO[2]	Stock Options	75,000 50,000 150,000	0.40 0.40 0.30	September 2, 2020 July 30, 2020 June 23, 2020	1.05 0.80 0.66	0.65 0.40 0.36	48,750 20,000 54,000

Notes:

(1) On February 18, 2020 Mr. Cope resigned as President, CEO and a director of the Company.
(2) On February 28, 2020 Ms. Hartzenberg resigned as CFO.

Hedging by Named Executive Officers or Directors

The Company has no policy with respect to Named Executive Officers 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 Named Executive Officer 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

Former CEO and CFO

On February 18, 2020, Gary Cope, former President, CEO and director of the Company, resigned and was paid a termination fee. Pursuant to the consulting agreement dated December 5, 2016 between the Company and 683192 B.C. Ltd., a company wholly-owned by Gary Cope, Mr. Cope was paid an aggregate termination fee of $272,414 ($152,414 in cash and $120,000 in Common Shares).

On February 28, 2020, Carla Hartzenberg, former CFO of the Company, resigned and was paid a termination fee. Pursuant to the Shared Services Agreement dated January 1, 2017 between Belcarra Group Management Ltd. and the Company, Ms. Hartzenberg was paid $7,500 indirectly through Belcarra Group Management Ltd.

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 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 Options which have not vested shall vest immediately.

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. 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 Stock 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 (as defined in the Fehr Agreement) 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., 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 CapitalCorp. a monthly consulting fee of $20,000 plus applicable GST. 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. The monthly fee was increased to $24,000 effective April 1, 2021.

2. Pursuant to the agreement dated February 24, 2020 between the Company and Fehr & Associates, a company wholly- owned by Ann Fehr (the "**Fehr Agreement**"), Fehr and 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. Under the terms of the Fehr Agreement, the Company paid to Fehr and Associates a monthly fixed fee of $10,000. The hourly fees for out-of-scope work are $75 for bookkeeping services and junior admin, $125 for senior admin/governance support, $125 for Financial Statement preparation & special reports, and $150 for Taxation. The monthly fee was increased to $12,000 effective April 1, 2021.

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 seven 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 TSXV. Each independent director is entitled to $1,200 per month. The Chairman of the Board is entitled to a further $600 per month. Each Chair of the Nominating and Governance Committee, the Health, Safety and 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 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, have DSUs outstanding. The Company has a total of 58,270 DSUs outstanding, with a value of $51,532 based on the volume-weighted average price for the last five trading days of December 2020.

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 Stock Option Plan. The Company does not have any equity compensation plans that have not been approved by the Shareholders.

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	7,497,500	$0.45	5,591,286
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	7,497,500	$0.45	5,591,286

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.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Below is information regarding Dolly Varden's audit committee and corporate governance policies. It is expected that the Post-Closing Company will maintain the policies of Dolly Varden with respect to its audit committee and corporate governance following the completion of the Transaction.

Audit Committee

As at the date of this Circular, the Audit Committee of Dolly Varden is composed of James Sabala, Annette Cusworth, and Thomas Wharton. Following completion of the Transaction, the Audit Committee is expected to be composed of James Sabala, Thomas Wharton and Tim Clark. 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 Mandate is attached as Exhibit 4 to this Appendix C.

The 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	Independent	Financially Literate	Previously served as CFO for Hecla.
Thomas Wharton	Independent	Financially Literate	Director of multiple publicly traded companies; Business consultant; Accounting degree.
Tim Clark	Independent	Financially Literate	Previously served as member of the Audit Committee for Fury Gold; holds MBA in finance and accounting.

Note:
(1) As defined in NI 52-110.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the 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 Section 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:

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

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

(iii) 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, 2020 for audit and assurance and related services were approximately $30,366 (2019 - $30,000).

Audit-Related Fees

The aggregate fees billed by the Company's external auditor for the financial year ended December 31, 2020 for audit related services were Nil (2019 - 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, 2020 were Nil (2019 – Nil).

All Other Fees

The aggregate fees billed by the Company's external auditor for the financial year ended December 31, 2020 for review of unaudited interim financial statements, compilation of consolidated financial statements, and related consultation and research services were Nil (2019 - 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.

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 Board, at present, is composed of seven 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. James Sabala, Annette Cusworth, Thomas Wharton, Donald Birak and Darren Devine are independent directors. In determining whether a director is independent, the 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 Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The 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 Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans, and annual operating plans.

Directorships

Certain of the current and expected 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.
Darren Devine	Chakana Copper Corp., TrackX Holdings Inc. Just Kitchen Holdings Corp.,Trenchant Capital Corp. (CSE), WSM Ventures Inc. (CSE)
Donald Birak	Revival Gold Inc., Blackwolf Copper and Gold
James Sabala	Thunder Mountain Gold, Inc.
Thomas Wharton	Angel Gold Corp., Chakana Copper Corp.
Robert McLeod	Blackwolf Copper and Gold
Tim Clark	Fury (TSX, NYSE)

Unless otherwise indicated, each of the reporting issuers is listed on the TSXV

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 Board.

Ethical Business Conduct

The 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 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 Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The members of the Board sign a code of conduct acknowledgement form on joining the Board and agree to follow the Code of Conduct and Ethics policy adopted by the Board in 2015. They each confirm annually that they are in compliance with the Code of Conduct and Ethics policy.

Nomination of Directors

The 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 Board's duties effectively and to maintain diverse views, skills, and experience. The Company's nominating and corporate governance 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 Board members, a search firm, or any other method that the Board may choose. All three members of the nominating and corporate governance committee are independent.

Compensation

All compensation matters are dealt with by the 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. See "*Directors and Executive Officers – Biographical Information Regarding the Directors and Officers*" above.

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.

Health, Safety, and Environmental Committee

The Company's health, safety, and environmental committee overseas the development and reviews the implementation of policies relating to health, safety, and environmental issues.

Committees of the Board

The Board has appointed an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a Health, Safety, and Environmental Committee. Following Closing of the Transaction, the members of which are expected to be as follows:

Audit Committee	**Compensation Committee**	**Nominating and Corporate GovernanceCommittee**	**Health, Safety, Environmental Committee**
James Sabala (Chair)	Thomas Wharton (Chair)	Robert McLeod (Chair)	Donald Birak (Chair)
Thomas Wharton	Darren Devine	James Sabala	Shawn Khunkhun
Tim Clark	Donald Birak	Darren Devine	James Sabala

A description of the function of the Audit Committee can be found in this Exhibit C under the heading "*Audit Committee*". See Exhibit 6 of this Exhibit C for a full copy of the Nominating and Corporate Governance Committee

Mandate. The Board also has appointed an ad hoc Technical Committee that has Donald Birak 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 Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its committees or individual directors. The relatively small size of the Company enables the Board to satisfy itself that individual directors are performing effectively. As the Company grows, the Board will consider adopting formal procedures for evaluating director and committee performance.

Stock Exchange Listing

It is expected that the Common Shares will continue to trade on the TSXV under the symbol "DV" following the completion of the Transaction.

The Transaction is subject to the approval of the TSXV with respect to the listing of the Common Shares to be issued under the Transaction.

RISK FACTORS

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge of management and key employees and contractors of the Post-Closing Company may not eliminate. Few exploration and evaluation assets which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a mineral resource. The Post-Closing Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Post-Closing Company. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The economics of developing gold and silver and other exploration and evaluation assets is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment, access to qualified personnel and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of the Post-Closing Company's exploration and evaluation assets may have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Post-Closing Company's exploration and evaluation assets are located, which are subject to poor climate conditions.

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

Substantial Capital Requirements

Management of the Company anticipates that the Post-Closing Company may make substantial future capital expenditures for the acquisition, exploration, development and production of its exploration and evaluation assets. As the Post-Closing Company will be at the exploration stage with no revenue being generated from the exploration activities on its exploration and evaluation assets, the Post-Closing Company may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs.

There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Post-Closing Company. Moreover, future activities may require the Company to alter its capitalization significantly.

The inability of the Post-Closing Company to access sufficient capital for its operations could have a material adverse effect on the Post-Closing Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in its exploration and evaluation assets, miss certain acquisition opportunities and reduce or terminate its operations.

Future Issuances May Affect the Market Price of the Common Shares

In order to finance future operations, the Post-Closing Company may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Company and the Post-Closing Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares.

The Restrictions on Fury's Ability to Exercise Significant Control Over the Post-Closing Company May Be of Limited Effectiveness.

Immediately following the Transaction, Fury will own approximately 36.9% of the Company on an outstanding basis. Although as described below Fury has agreed to certain matters that limit its ability to control Dolly Varden following the completion of the Transaction, as provided for in the Investor Rights Agreement, Fury may have the ability to exercise significant influence over matters requiring Shareholder approval, including the election of the members of the Board and approval of significant corporate transaction such as changes of control and as such control the Post-Closing Company's policies and operations. Fury's interests may not in all cases be aligned in all respects with other Shareholders and could deprive Shareholders of an opportunity to receive a premium on the Common Shares and ultimately affect the market price of Common Shares.

So long as Fury continues to beneficially own a sufficient number of Common Shares, even if it beneficially owns significantly less than a majority of the Post-Closing Company's outstanding Common Shares, it could continue to be able to effectively control the Post-Closing Company's decisions.

At Closing of the Transaction, Dolly Varden and Fury have agreed to enter into Investor Rights Agreement pursuant to which Fury shall have certain Board nomination rights and to a one year resale restriction on its Common

Shares. In addition, Fury has agreed to certain matters that limit its ability to control Dolly Varden following the completion of the Transaction. Fury shall, until the earlier of the two-year anniversary of the Closing and the date on which it does not own any Common Shares, vote its Common Shares in accordance with the recommendation of Dolly Varden management at any Shareholders meeting other than in certain excluded matters or matters that are contrary to the terms of the Investor Rights Agreement. Separately from the annual Board-approved proxy circular, it will not make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote (as such terms are understood under applicable laws), or seek to advise or influence any other person with respect to the voting of any voting securities of the Company; or otherwise act, alone or in concert with others, to seek to control the management, Board or policies of the Company, other than as a result of its director nomination right. See "*The Investor Rights Agreement*" in this Circular. While such restriction are in place, Fury shall vote its Common Shares in accordance with the recommendations of Dolly Varden management. After such restrictions expire, there will be no contractual restrictions on Fury's ability to exercise voting rights. In either case, this concentration of ownership may make it more difficult for other Shareholders to effect substantial changes in the Post-Closing Company. The Investor Rights Agreement provides Fury with pre-emptive or participation rights to maintain its ownership percentage in the Post-Closing Company, which could allow Fury to continue to maintain is 36.9% ownership.

Following the expiration of re-sale restrictions applicable to Fury, a significant number of Common Shares may be sold by Fury, which could adversely affect the market price of the Common Shares.

Competition

The mining industry is highly competitive and the Post-Closing Company will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for operations, exploration and development projects. Many of the Post-Closing Company's competitors for the acquisition, exploration, production and development of exploration and evaluation assets, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than the Company. If the Post-Closing Company is unable to successfully compete in its industry it could have a material adverse effect on the Post-Closing Company's results of operations and financial condition.

Volatility of Mineral Prices

Resource exploration is significantly linked to the outlook for commodities. The market price of any mineral is volatile and is affected by numerous factors that are beyond the Company and the Post-Closing Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by the Post-Closing Company. Price volatility could have dramatic effects on the results of operations and the ability of the Post-Closing Company to execute its business plan. As the Post-Closing Company's business is in the exploration stage and as the Company does not carry on production activities, its ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Mineral Reserves / Mineral Resources

The Post-Closing Company's exploration and evaluation assets (including the Dolly Varden Project and the Homestake Ridge Project) are in the early exploration stage only and, though they contain current mineral resources, they do not contain a known body of commercial minerals (mineral reserves). Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral reserve estimates for exploration and evaluation assets that have not yet commenced production may require revision based on actual production experience. While the Company believes that the Company's estimates of mineral resources are well established and reflect management's best estimates, by their nature mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences and geological interpretations, which may ultimately prove inaccurate.

The mineral resource estimates included in this Circular have been determined and valued based on assumed future prices, cutoff grades and operating costs. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Please note that the fair values of the mineral projects reflected in the Pro-Forma Financial Statements are intended to represent estimates of the projects' fair value and are calculated in accordance with IFRS. However, such fair values calculated in accordance with IFRS may not be indicative of the future realizable value of such projects and readers are cautioned that future realizable values of such projects may differ significantly from current fair value estimates.

Environmental Risks

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

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

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

Moreover, mining companies are often targets of actions by non-governmental organizations and environmental groups in the jurisdictions in which they operate. Such organizations and groups may take actions in the future to disrupt the Post-Closing Company's operations. They may also apply pressure to local, regional and national government officials to take action which are adverse to the Post-Closing Company's operations. Such actions could have an adverse effect on the Post-Closing Company's ability to advance is projects and, as a result on its operations and financial performance.

Relationships with Local Communities and Indigenous Organizations

Negative relationships with Indigenous and local communities could result in opposition to the Post-Closing Company's projects. Such opposition could result in material delays in attaining key operating permits or make certain projects inaccessible to the Post-Closing Company's personnel. Dolly Varden respects and engages meaningfully with Indigenous and local communities at all of its operations. The Post-Closing Company is committed to working constructively with local communities, government agencies and Indigenous groups to ensure that exploration work is conducted in a culturally and environmentally sensitive manner.

The Company believes that the Post-Closing Company's operations can provide valuable benefits to surrounding communities, in terms of direct employment, training and skills development and other benefits associated with ongoing payment of taxes. In addition, the Post-Closing Company will seek to maintain its partnerships and relationships with local communities, including Indigenous peoples, and stakeholders in a variety of ways, including in-kind contributions, volunteer time, sponsorships and donations. Notwithstanding ongoing efforts, local communities and stakeholders could become dissatisfied with its activities or the level of benefits provided, which could result in civil unrest, protests, direct action or campaigns against it. Any such occurrence could materially and adversely affect the Post-Closing Company's business, financial condition or results of operations.

Political, Economic and Social Risks and Uncertainties

The Post-Closing Company's operations at the Dolly Varden Project and the Homestake Ridge Project are located in northern British Columbia, and, as such, its operations are exposed to various levels of political, economic and other risks and uncertainties inherent in operating in such jurisdiction. Risks and uncertainties of operating in northern British Columbia may vary from time to time, but are not limited to a limited local workforce, poor infrastructure, a complex regulatory regime and harsh weather.

Reliance on Key Personnel

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

Specialized Skill and Knowledge

Various aspects of the Post-Closing Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, logistical planning and implementation of exploration programs as well as finance and accounting. The Post-Closing Company's management team and Board provide much of the specialized skill and knowledge. The Post-Closing Company may also retain outside consultants as additional specialized skills and knowledge are required. However, it is possible that the Post-Closing Company may experience delays and increased costs in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at its mineral properties.

Conflicts of Interest

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

Dividends

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

Unlimited Authorized Share Capital

The Post-Closing Company will have an unlimited number of common shares which may be issued by the Board without further action or approval of the Post-Closing Company's shareholders, except as limited by law or stock exchange or regulatory policy. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Post-Closing Company Shareholders.

Fluctuating Stock Exchange Prices

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies, has experienced wide fluctuations which have not necessarily been related to the performance or underlying asset values of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's Common Shares. These factors are ultimately beyond the control of the Company or the Post-Closing Company and could have a material adverse effect on the Post-Closing Company's financial condition and results of operations.

Permits and Licenses

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

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

Title Risks

The Company has investigated its rights to explore and exploit the Dolly Varden Project and the Homestake Ridge Project and, to the best of its knowledge, the Post-Closing Company's rights will be in good standing given the progress of development. The acquisition of title to exploration and evaluation assets or interests therein is a very detailed and time-consuming process. The exploration and evaluation assets may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. There can also be no assurance that the Post-Closing Company's rights will not be challenged or impugned by third parties.

Additionally, the Post-Closing Company's mineral claims may overlap with other mineral claims owned by third parties which may be considered senior in title to the Post-Closing Company's mineral claims. The junior claim is only invalid in the areas where it overlaps a senior claim. Although the Company is not aware of any existing title uncertainties with respect to the Dolly Varden Project of the Homestake Ridge Project, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Post-Closing Company's future cash flows, earnings, results of operations and financial condition.

Property Commitments

The Post-Closing Company's mineral properties and/or interests may be subject to various land payments, royalties and/or work commitments. Failure by the Post-Closing Company to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

Limited Operating History

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

Uninsured Risks

The Post-Closing Company is subject to a number of operational risks and may not be adequately insured for certain risks, including: accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Post-Closing Company, personal injury or death, environmental damage or, regarding the exploration activities of the Post-Closing Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Post-Closing Company's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Post-Closing Company. If the Post-Closing Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which the Post-Closing Company's activities are subject will be available at all or at commercially reasonable premiums. The Post-Closing Company is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on The Post-Closing Company's future cash flows, earnings, results of operations and financial condition.

Unforeseen Expenses

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

COVID-19 Pandemic

The COVID-19 pandemic has significantly impacted health and economic conditions throughout Canada and globally. The global spread of COVID-19 has been, and continues to be, complex and rapidly evolving, with governments, public institutions and other organizations imposing or recommending, and businesses and individuals implementing, restrictions on various activities or other actions to combat its spread, such as travel restrictions and bans, social distancing, quarantine or shelter-in-place directives, limitations on the size of gatherings and closures of non-essential businesses. The COVID-19 pandemic and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the Post-Closing Company's operations, and the operations of its suppliers, contractors and service providers, the ability to obtain financing and maintain necessary liquidity, and the ability to explore the Post-Closing Company's properties. The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Travel bans and other government restrictions may also adversely impact the Post-Closing Company's operations and the ability of the Post-Closing Company to advance its projects. In particular, if any employees or consultants of the Post-Closing Company become infected with Coronavirus or similar pathogens and/or the Post-Closing Company is unable to source necessary consumables or supplies, due to government restrictions or otherwise, it could have a material negative impact on the Post-Closing Company's operations and prospects, including the complete shutdown of one or more of its exploration programs. The situation is dynamic and changing day-to-day. The Company is exploring several options to deal with any repercussions that may occur as a result of the COVID-19 outbreak.

Climate Change

The Company recognizes climate change as an international and community concern. The effects of climate change or extreme weather events may cause prolonged disruption to the delivery of essential commodities which could negatively affect production efficiency. Furthermore, increased regulation of greenhouse gas emissions (including in the form of carbon taxes or other charges) may adversely affect the Post-Closing Company's operations and that related legislation is becoming more stringent.

The Company is and the Post-Closing Company will be focused on operating in a manner that minimizes environmental impacts of its activities; however, environmental impacts from exploration and drilling activities are inevitable. The physical risks of climate change that may impact the Post-Closing Company's operations are highly uncertain and may be particular to the unique geographic circumstances associated with each of its operations. Such physical risks include, but are not limited to, extreme weather events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Post-Closing Company's operations in northern British Columbia are particularly impacted by extreme weather due to their remoteness. There may also be supply chain implications in getting supplies to the Post-Closing Company's operations, including transportation issues. The Company makes efforts to mitigate climate risks by ensuring that extreme weather conditions are included in its emergency response plans. However, there is no assurance that the response will be effective, and the physical risks of climate change will not have an adverse effect on the Post-Closing Company's operations and profitability.

Moreover, governments are introducing climate change legislation and treaties at the international, national and local levels. Regulations relating to emission levels and energy efficiency are becoming more stringent, which may result in increased costs of compliance. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if current regulatory trends continue, this may result in increased costs at some or all of the Post-Closing Company's operations. There is no assurance that such regulations will not have an adverse effect on the Post-Closing Company's results of operations and financial condition.

Legal and Litigation Risks

All industries, including the exploration industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Post-Closing Company may become subject could have a material adverse effect on the Post-Closing Company's business, prospects, financial condition, and operating results. Defense and settlement of costs of legal claims can be substantial.

Flow-Through Shares

The Company has issued flow-through shares in the past. Although the Company believes it has incurred, or the Post-Closing Company intends to incur, exploration expenditures as contemplated by the flow-through share subscription agreements, there is a risk that expenditures incurred by the Company or the Post-Closing Company may not qualify as "Canadian exploration expenditures" ("**CEE**"), as such term is defined in the Tax Act, or that any such resource expenses incurred will be reduced by other events including failure to comply with the provisions of the flow-through share subscription agreements or of applicable income tax legislation. No assurances can be given that the expenditures actually made will be in the amount or of the type which the Post-Closing Company intends to incur.

If the Company or the Post-Closing Company does not renounce to flow-through share subscribers CEE within the prescribed time period, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Company may need to indemnify such subscribers, on the terms included in the flow-through share subscription agreements, for an amount equal to the amount of any tax payable or that may become payable under the Tax Act.

LEGAL PROCEEDINGS AND REGULATORY ACTION

Dolly Varden is not party to any legal proceedings or regulatory actions as pf the date of this Circular. Dolly Varden is not aware of any contemplated legal proceedings involving itself, its operations or Homestake.

INTERTEST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out herein, no director or executive officer of the Post-Closing Company, and to the knowledge of Dolly Varden, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the outstanding voting securities of Dolly Varden or will beneficially own, or control or direct, directly or indirectly, more than 10 percent of the outstanding voting securities of the Post-Closing Company, and no associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Dolly Varden.

AUDITORS, TRANSFER AGENTS AND REGISTRAR

Auditor

Following the completion of the Transaction, the auditor for the Post-Closing Company will continue to be Davidson & Company LLP, Chartered Professional Accountants. Davidson and Company LLP, Chartered Professional Accountants have reported that they are independent from the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Transfer Agents, Registrars, Trustees or Other Agents

Following the completion of the Transaction, the transfer agent and registrar of the Common Shares will continue to be Computershare Investors Services Inc. at its principal office at 510 Burrard Street, 3rd Floor, Vancouver, BC, V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following will be the only material contracts entered into by the Post-Closing Company since the beginning of the last financial year ending before the date of this Circular or before the beginning of the last financial year ending before the date of this Circular for any material contract that is still in effect:

- Agency Agreement between Dolly Varden, Mackie Research Corporation ("**Mackie**"), and Eventus Capital Corporation (together with Mackie, the "**Agents**") dated August 21, 2020, by which the Agents agree to act as agents for Dolly Varden's offering of up to 14,084,507 Units (as defined therein) for aggregate gross proceeds of up to $10,000,000.

- Warrant Indenture between Dolly Varden and Computershare Trust Company of Canada ("**Computershare Trust**") dated August 21, 2020, by which Computershare Trust agrees to act as warrant agent for Dolly Varden's issuance of up to 7,983,198 Warrants (as defined therein).

- The Ancillary Rights Agreement between Dolly Varden and Hecla dated September 4, 2012, pursuant to which Hecla was granted certain nomination rights, pre-emptive rights and a right of first offer.

- The Purchase Agreement and the Investor Rights Agreement with Fury, both further described in this Circular.

Material contracts not in the ordinary course of business are available under Dolly Varden's profile on the SEDAR website at www.sedar.com.

EXHIBIT 1 TO APPENDIX C
INFORMATION CONCERNING THE DOLLY VARDEN PROJECT

Source of Information and Data

The following is a summary of the Technical Report and Mineral Resource Update for the Dolly Varden Property British Columbia, Canada, dated effective May 8, 2019 and authored by Andrew J. Turner, B.Sc., P. Geol and Steven J. Nicholls, BA.Sc., MAIG. The tables and figures have been extracted from the Dolly Varden Project Report; however, table numbers and figure numbers have been updated for this summary. Capitalized terms used in the summary below but not defined herein have the meanings given to those terms in the Dolly Varden Project Report. The information below was prepared based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Dolly Varden Project Report, which is available in its entirety on SEDAR at www.sedar.com and readers should review it in its entirety for a full description of the Dolly Varden Project.

Property Description and Location

The Dolly Varden Project is located near the central west coast of British Columbia (BC), approximately 46 km southeast of Stewart and 23 km northeast of Alice Arm, BC. The Dolly Varden Project sits within National Topographic System Sheets 103P11, 103P12, 103P13 and 103P14 in the Skeena Mining District and Cassiar Land District. The Dolly Varden Project encompasses 7 mineral leases, 38 mineral claims and 50 Crown granted mineral claims (Crown grants) listed in Tables 1.1, 1.2 and 1.3, respectively. The Dolly Varden Project area totals 7,826.64 square hectares, with non-owned land removed. The Dolly Varden mineral leases, Crown grants and mineral claims are shown in Figures 1.1 and 1.2.

Table 1.1. Dolly Varden Project mineral leases.

Tenure Number	Valid Until	Registered Owner	Area (ha)
254534	July 6 2022	Dolly Varden	53.397
254535	February 4 2022	Dolly Varden	8.681
254536	April 5 2022	Dolly Varden	37.213
254537	April 5 2022	Dolly Varden	11.892
254538	April 5 2022	Dolly Varden	17.301
254542	July 8 2022	Dolly Varden	41.010
254579	October 15 2022	Dolly Varden	14.452

Table 1.2. Dolly Varden Project mineral claims.

Tenure Number	Valid Until	Claim Name	Area (ha)
569872	May 3 2027	DOLLY VARDEN NORTH 1	436.604
569857	May 3 2027	DOLLY VARDEN EAST 1	636.796
570082	May 3 2027	DOLLY VARDEN WEST 3	510.300
570083	May 3 2027	DOLLY VARDEN WEST 4	237.011
589602	May 3 2027	DOLLY VARDEN - NORTH STAR	18.224
570076	May 3 2027	DOLL C	36.435
570081	May 3 2027	DOLLY VARDEN WEST 2	109.294
570080	May 3 2027	DOLLY VARDEN WEST 1	418.921
570075	May 3 2027	DOLL B	18.213
569859	May 3 2027	DOLLY VARDEN EAST 2	655.404
570074	May 3 2027	DOLL A	18.209
569874	May 3 2027	DOLLY VARDEN NORTH 3	273.081

Tenure Number	Valid Until	Claim Name	Area (ha)
569871	May 3 2027	DOLLY VARDEN EAST 3	473.161
569873	May 3 2027	DOLLY VARDEN NORTH 2	364.001
523825	May 3 2027	DOLLY 2	218.714
538806	May 3 2027	DOLLY CROWN 17	164.123
384022	May 3 2027	EVINDSON 2	396.125
538788	May 3 2027	DOLLY CROWN 11	109.392
538787	May 3 2027	DOLLY CROWN 10	127.610
538786	May 3 2027	DOLLY CROWN 9	72.914
383281	May 3 2027	TIGER 4	190.376
538899	May 3 2027	DOLLY CROWN 19	18.213
538780	May 3 2027	DOLLY CROWN 3	127.476
538783	May 3 2027	DOLLY CROWN 6	91.091
538785	May 3 2027	DOLLY CROWN 8	437.319
538781	May 3 2027	DOLLY CROWN 4	163.872
538906	May 3 2027	DOLLY CROWN 26	18.226
538904	May 3 2027	DOLLY CROWN 24	18.217
538784	May 3 2027	DOLLY CROWN 7	182.142
538900	May 3 2027	DOLLY CROWN 20	18.211
564240	May 3 2027	DOLLY CROWN 28	18.226
564163	May 3 2027	DOLLY CROWN 27	18.224
383279	May 3 2027	TIGER 2	226.283
538901	May 3 2027	DOLLY CROWN 21	18.211
538902	May 3 2027	DOLLY CROWN 22	18.209
538805	May 3 2027	DOLLY CROWN 16	18.218
538782	May 3 2027	DOLLY CROWN 5	18.209
538804	May 3 2027	DOLLY CROWN 15	36.413

Table 1.3. Dolly Varden Project Crown granted mineral claims.

Claim Name	Lot Number	Ownership	Area
ANGLO	934	Dolly Varden 100%	5.770
ARMES	4068	Musketeer Option	18.236
ATHOS	4066	Musketeer Option	13.050
BLUEBERRY	4217	Dolly Varden 100%	16.007
BONANZA FRACTION	4070	Musketeer Option	17.254
COPPER CLIFF	3806	Dolly Varden 100%	18.510
COPPER CLIFF NO. 1	3807	Dolly Varden 100%	17.155
COPPER CLIFF NO. 2	3808	Dolly Varden 100%	15.583
COPPER CLIFF NO. 3	3798	Dolly Varden 100%	16.288
DAN PATCH	3825	Dolly Varden 100%	17.678
D'ARTAGNON	4071	Musketeer Option	11.774

Claim Name	Lot Number	Ownership	Area
D'ARTAGNON NO. 1	4069	Musketeer Option	9.423
DOLLY VARDEN M.C.	3194	Dolly Varden 100%	17.002
DOLLY VARDEN NO. 1	3192	Dolly Varden 100%	11.915
DOLLY VARDEN NO. 2	3193	Dolly Varden 100%	12.927
DOLLY VARDEN NO. 4	3195	Dolly Varden 100%	11.338
DOLLY VARDEN NO. 5 M.C.	3196	Dolly Varden 100%	14.740
DOLLY VARDEN NO. 6	3197	Dolly Varden 100%	14.681
DOLLY VARDEN NO. 7	3198	Dolly Varden 100%	4.770
KITSOL NO.1	3815	Dolly Varden 100%	16.109
KITSOL NO.2	3814	Dolly Varden 100%	14.334
LAMB	937	Dolly Varden 100%	7.364
LION	3613	Dolly Varden 100%	15.558
LUE DILLON	3827	Dolly Varden 100%	10.658
MAUD MCPHEE	3817	Dolly Varden 100%	19.093
MOOSE	936	Dolly Varden 100%	14.577
MOOSE NO. 1	1241	Dolly Varden 100%	17.159
MOOSE NO. 2	1242	Dolly Varden 100%	18.269
MOOSE NO. 6	1243	Dolly Varden 100%	16.379
MUTT AND JEFF FRACTION	4265	Dolly Varden 100%	20.533
NANCY HANKS	3826	Dolly Varden 100%	17.838
NORTH STAR	3634	Dolly Varden 100%	8.519
NORTH STAR FRACTION	4211	Dolly Varden 100%	6.911
PLUTUS FRACTION	3615	Dolly Varden 100%	0.048
PORTHES	4067	Musketeer Option	10.316
RED POINT EXTENSION	3810	Dolly Varden 100%	18.588
RED POINT NO. 1	3809	Dolly Varden 100%	14.083
RUBY	4210	Dolly Varden 100%	11.308
SPORTSMAN	3816	Dolly Varden 100%	19.561
SUNSET NO. 1	3818	Dolly Varden 100%	4.637
SUNSET NO. 2	3819	Dolly Varden 100%	18.333
SURPRISE	4335	Dolly Varden 100%	11.195
SWIFTWATER	4336	Dolly Varden 100%	14.523
TIGER	3614	Dolly Varden 100%	16.750
TORIC	935	Dolly Varden 100%	11.780
UIST	4337	Dolly Varden 100%	20.434
WOLF	3795	Dolly Varden 100%	20.197
WOLF NO. 2	3794	Dolly Varden 100%	19.009
WOLF NO. 3	3796	Dolly Varden 100%	18.009
WOLVERINE	3797	Dolly Varden 100%	14.855

Figure 1.1. Dolly Varden Project mineral leases and Crown granted mineral claims.

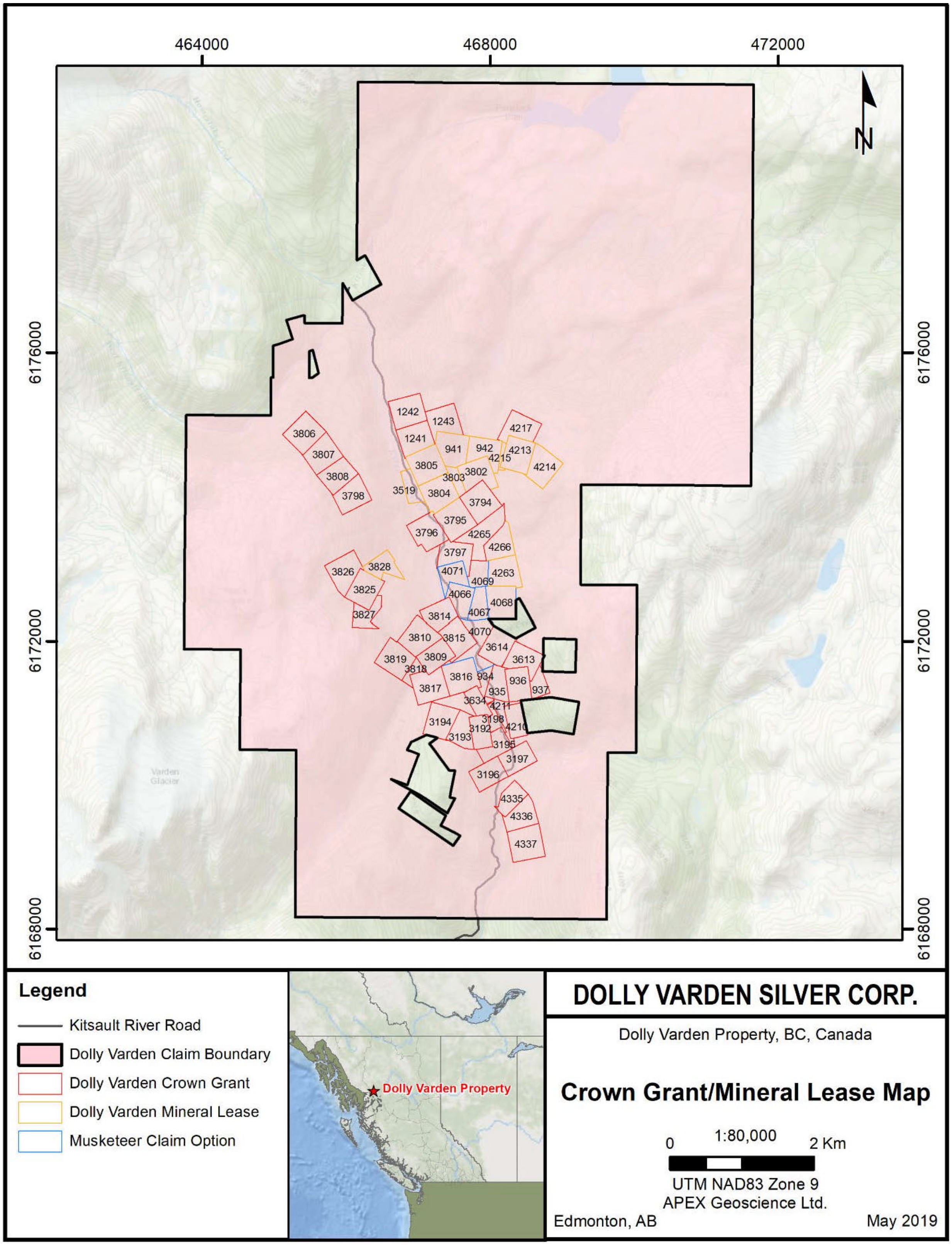
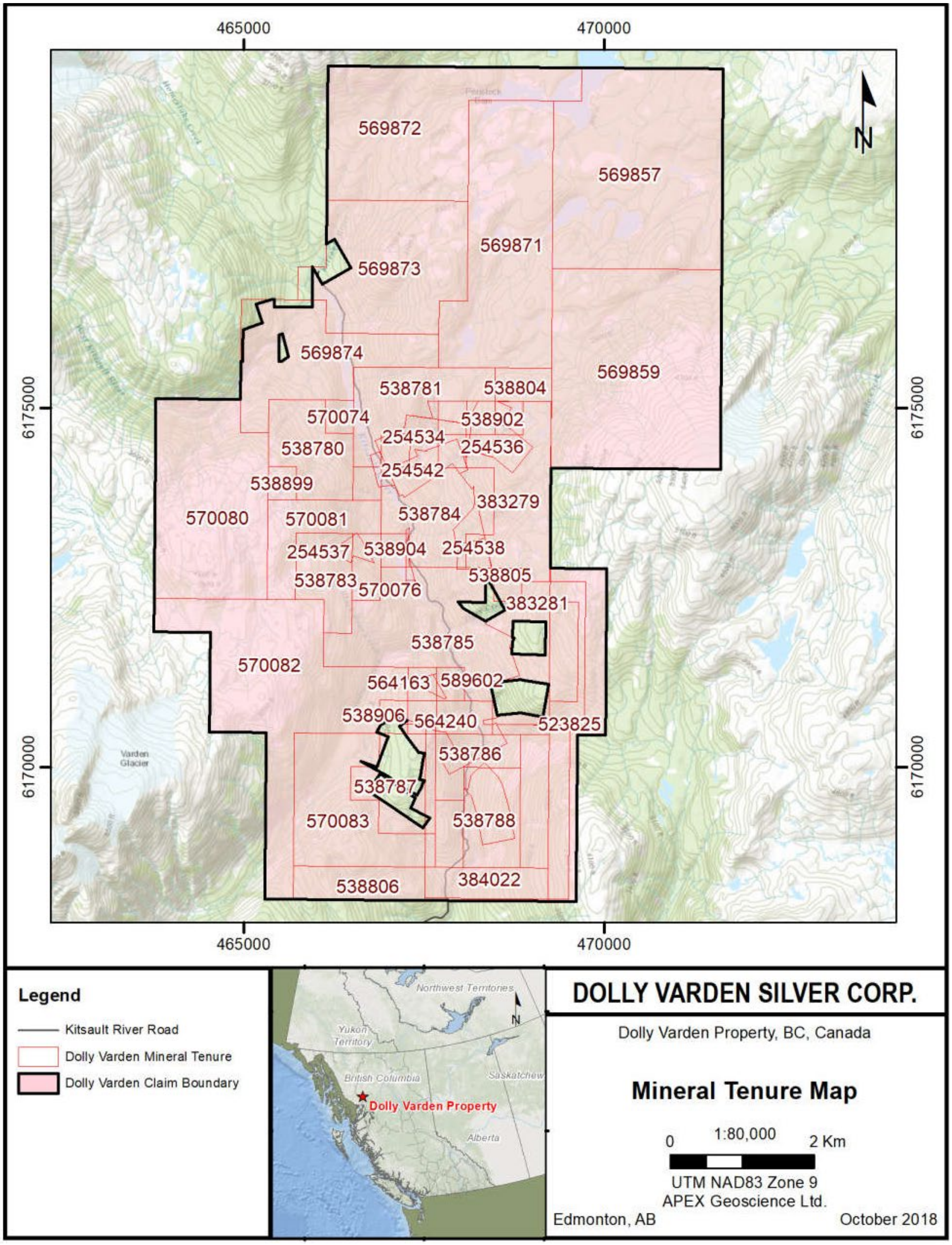


Figure 1.2. Dolly Varden Project mineral tenures.



Accessibility

The Dolly Varden Project is located near the central west coast of BC, approximately 23 km northeast of Alice Arm, BC, 25 km south of Kitsault, BC, and 46 km southeast of Stewart, BC. Primary access to the Dolly Varden Project is via helicopter from the towns of Alice Arm, Kitsault or Stewart. Overland vehicle access from Terrace, BC, to Kitsault can be gained via the Nisga'a Highway (Highway 113) to the termination of the Kitsault Mine Road (total road length of 167 km). The historic mining town of Kitsault is located on the Alice Arm of the Observatory Inlet, which can be crossed via boat/barge to the historical town of Alice Arm. Once in Alice Arm, the Kitsault Valley Road runs along the Kitsault River and follows an old rail bed that was constructed to service the Dolly Varden mine. The towns of Alice Arm and Kitsault can also be accessed from Prince Rupert, BC, by privately contracted seaplane or boat/barge.

Property access for Dolly Varden personnel is via helicopter from the Dolly Varden exploration camp situated in Alice Arm or from a staging point at km19 of the Kitsault River road. As surface exploration on the Dolly Varden Project is helicopter based and therefore weather dependent, the operating season is typically May to October with adjustments depending on weather. Snow capped mountains in the area prove an added challenge in regard to accessibility of exploration sites.

Royalties and Agreements

The Dolly Varden Project is encumbered with two royalty agreements covering separate yet contiguous portions of the Dolly Varden Project, effectively encumbering the entire Dolly Varden Project with a 2% royalty in the form of two standard Net Smelter Return (NSR) royalty agreements.

The Company entered into an NSR royalty agreement on March 18, 2011 with 0897287 B.C. Ltd. in consideration of title transfer for the majority of the Dolly Varden Project, except for the "Musketeer Option" area as described below. By an agreement dated April 1, 2011, 0897287 B.C. Ltd. sold and assigned the Royalty Rights to 0907105 B.C. Ltd. The Dolly Varden Project area is subject to a 2% NSR owed to 0907105 B.C. Ltd. of which one half can be repurchased by the Company for CDN$1,000,000 at any time (Dolly Varden Silver Corporation, 2019b; Higgs and Giroux, 2015).

The second NSR agreement is with Musketeer Holdings et al (Musketeer). The initial agreement was for the Company to acquire 100% interest in the Musketeer claims for a purchase price of CDN$1,050,000 payable over four years, subject to a 2% NSR to Musketeer. The Option Agreement with Musketeer has been completed through aggregate option payments by the Company of CDN$350,000, CDN$233,333 in 2013 and 2014, respectively. In 2015, the final two payments were renegotiated to defer CDN$100,000 until February 2018 plus a renegotiation fee of CDN$10,000 to be included with the 2015 payment (Dolly Varden Silver Corporation, 2015). The agreement was renegotiated again in February 2016 with CDN$81,000 plus a renegotiation fee of CDN$10,000 paid on February 12, 2016 (Dolly Varden Silver Corporation, 2016). The final two payments of CDN$102,334 and CDN$100,000 were made in 2017 and 2018, respectively.

Upon completion of the Option Agreement the Company entered into an NSR royalty agreement with Musketeer on May 16, 2018, for the 2% NSR royalty.

Risks and Uncertainties

Exploration Permit MX-1-860 was granted for the Dolly Varden Project in 2011. Under the permit 5-year Multi Year, Area Based ("**MYAB**") applications are submitted either every 5 years or if the allotted disturbance and activities have been reached. At the end of each year an Annual Summary of Exploration Activities is filed which states the area disturbed, the area reclaimed and other activities completed that year. These are subtracted from the MYAB allowance and the remaining allowances are calculated. In May 2018 Dolly Varden received approval for a 5-year amendment application to the MYAB under permit MX-1-860 with an expiry date of March 2023.

A Wildlife Management Plan and Archaeological Overview Assessment ("**AOA**") was completed by ERM Consultants Canada Ltd. in May 2018 to accompany the amendment application. The Wildlife Management Plan comprises protocols to address possible goat, bear and marbled murrelet encounters and outlines protected areas in the region. No protected areas are located within the Dolly Varden Project, although there are protected areas along the fly route to access the Dolly Varden Project. The AOA includes a desktop study outlining high probability chance discovery areas and culturally modified tree high probability areas. The Company must take pre-cautions when planning drill programs near or within these areas. Both the Wildlife Management Plan and AOA included a consultation with the Nisga'a Lisims Government. The Nisga'a Lisim Government's response to the Exploration Permit MX-1-860 amendment application was positive.

Regarding environmental liabilities associated with the Dolly Varden Project, a historic plant site and numerous historic workings and waste rock dump piles are located within the permit area. The Ministry of Energy, Mines and Petroleum Resources is aware of these historic sites and the Company has closed off access to these sites as a safety pre-caution. No compounded tailings have been identified to exist from the 1949 to 1959 plant site. Furthermore, acid rock drainage testing has been conducted on water outflow locations within the property and all results returned are within acceptable levels.

The Company is not aware of any environmental, social or permitting issues not disclosed herein that could have an impact on Dolly Varden Project development. Further advancement of the Dolly Varden will require additional environmental baseline and geochemical testing.

See also "*Risk Factors*" in this Appendix C.

History

The Dolly Varden Project has a lengthy and robust history of exploration and mining, with exploration occurring in the area from the early 1900s. The historic exploration completed at the Dolly Varden Project remains mostly unchanged from the information provided in previous Dolly Varden Project Reports on the Dolly Varden Project (Garrow, 2011; Higgs, 2015; Higgs and Giroux, 2015) and thus much of the following information has been adapted from these reports, with additional information from British Columbia Ministry of Energy and Mines (2012a), Devlin and Godwin (1985) and Devlin (1987).

Historical Work Conducted by Previous Owners: Dolly Varden, North Star, Red Point and Torbrit

1910 to 1968 Exploration (reproduced from Higgs and Giroux, 2015)

"The first claim staking in the Dolly Varden area occurred in 1910 with the location of the Red Point No.1 mineral claim (a Cu-Au prospect). The first claims for silver in the Dolly Varden mine area were staked in 1911. The Sportsman and North Star were staked in 1912 and 1914 respectively. Extensive prospecting, test pitting and drifting was carried out over the next seven years to develop the Dolly Varden silver deposit and bring it to production in 1919. Between 1919 and 1921, the Dolly Varden and North Star mines produced 1.305 million ounces silver from 36,000 tons at an average grade of 35.66 oz/t (1,109 g/t Ag)… The other historic mine on the property was the Torbrit Mine. From 1949 to 1959 Torbrit Silver Mines Ltd. produced 18,706,847 million ounces of silver and 10.8 million pounds of lead from 1,377,632 tonnes averaging 13.58 oz/t (466.3 g/t) silver and 0.38% lead. Production was in the form of a high-grade silver-lead concentrate and silver bullion."

1969 to 1990 Exploration

Exploration conducted by Dolly Varden Mines Ltd. from 1969 to 1973 included geochemical soil sampling on the "Copper Belt" zone on the west side of Kitsault valley and diamond drilling (Garrow, 2011; Higgs and Giroux, 2015). Exploration diamond drill programs and ore reserve calculations for the known silver deposits were conducted by consultants on behalf of Dolly Varden Minerals Inc. from 1979 to 1981 (British Columbia Ministry of Energy and Mines, 2012a). The historic mineral resource estimates for the Dolly Varden Project are summarized below.

Exploration completed in 1989 and 1990 by Tecucomp Geological Inc., on behalf of Dolly Varden Minerals Inc., included geological mapping, geochemical sampling and diamond drilling (2,256 m) at Red Point. Additional work at North Star comprised underground geological mapping and drilling (2,397 m) to verify historic drilling (British Columbia Ministry of Energy and Mines, 2012a). The drilling programs targeted a possible volcanic exhalative (volcanogenic massive sulphide (VMS)) model of mineralization and identified the significance of zinc, lead and copper in the mineralization (Garrow, 2011). During 1989 and 1990, Tecucomp Geological Inc. (the predecessor company to Cambria Geosciences Inc.) conducted an exploration program which focused on diamond drilling at the Cu-Au-bearing Red Point prospects and on the silver-rich polymetallic stratigraphic horizon containing the Dolly Varden, North Star and Torbrit mines. The stratigraphic, structural and deposit trends were reassessed as part of this work and this particular drilling program was the first to incorporate a volcanic exhalative (VMS) model of ore deposition (Higgs and Giroux, 2015).

1991 to 2009 Exploration

According to the Mines Branch Notice of Work files, no exploration was conducted at Dolly Varden, North Star, Red Point and Torbrit from 1991 to 2009.

2010 Exploration

In 2010, Dolly Silver Corporation and Dolly Varden Silver Ltd. (predecessor of Dolly Varden Silver Corporation) commissioned Geotech Ltd. to fly a helicopter-borne geophysical survey over the Dolly Varden Project. A total of 941.7 line-km was flown at 100 m spacings, with 90% of the Dolly Varden Project covered by the geophysical survey (Garrow, 2011).

Historical Work Conducted by Previous Owners: Regional Prospects

Several mineral occurrences are situated within the Dolly Varden Project, notable occurrences include Ace-Galena, Kitsol, Chance, Moose-Climax and Sault. The Ace-Galena mineral occurrence was originally discovered as the Tyee group in 1929. Between 1930 and 1934 showings of high-grade galena and native silver were discovered and explored using open cuts and short adits. The exploration in 1990 outlined a lead (Pb) - zinc (Zn) – silver (Ag) – arsenic (As) – antimony (Sb) – barium (Ba) anomaly and discovered stratiform mineralization at Trout.

The Kitsol Vein was discovered in 1918 and staked at the end of 1918 by Donald, Miner and Swanson. Early exploration on the claim included surface trenching and limited underground work, although poorly documented. From 1972 to 1973 exploration work comprised limited chip sampling of historic workings and diamond drilling (505 m in three holes). Results for the drilling include Ag values up to 380.57 g/t over 4.88 m and trench results returned Ag values up to 626.40 g/t over 4.11 m.

The Chance mineral occurrence was discovered in 1918. Early exploration from 1919 to 1930 comprised trenching, diamond drilling and underground work to define Ag-Cu-Sb-Pb-Zn bearing quartz-barite-jasper veins. Mapping and drilling in 1975 downgraded the mineral reserve to 38,246 tonnes (42,160 tons) at 373.7 g/t (10.9 oz/ton) Ag, as reported by Mitchell (Mitchell, 1976). Select highlights from the 1963-1964 drilling at Chance include 5.88 m with a weighted average of 480.0 g/t (14.0 oz/t) Ag from DDH12,1.68 m at 480.0 g/t (14.0 oz/t) Ag from DDH1, 10.6 m with a weighted average of 250.3 g/t (7.3 oz/t) Ag and 15.2 m with a weighted average of 607.2 g/t (17.71 oz) Ag from DDH3.

The Moose-Climax occurrences were discovered in 1916. Exploration in 1916 included trenching and underground work. Silver Butte Mines Ltd. conducted diamond drilling in 1964 and 1967, with 13 holes totalling 1,125.9 m and 9 holes totalling 528.1 m. Highlights from the drill programs included 2.44 m at 360.0 g/t (10.5 oz/t) Ag from DDH 14, 1.28 m at 366.86 g/t (10.7 oz/t) Ag from DDH 12 and 12.5 m at 257.14 g/t (7.5 oz/t) Ag from DDH 9. The 1964 drill program outlined a preliminary mineral resource estimate of 27,215 tonnes (30,000 tons) at 308.57 g/t (9.0 oz/t) Ag (Mitchell, 1976).

The mineral resource estimates mentioned in the two paragraphs above are a non NI 43-101 compliant resource and was calculated prior to the introduction of the standards set forth in NI 43-101. The authors of the Dolly Varden Project Report have referred to these estimates as a “historic resource” and are not treating them, or any part of them, as a current mineral resource. The historic resource estimates mentioned above should not be relied upon and have only been included to demonstrate the mineral potential of the Dolly Varden Project.

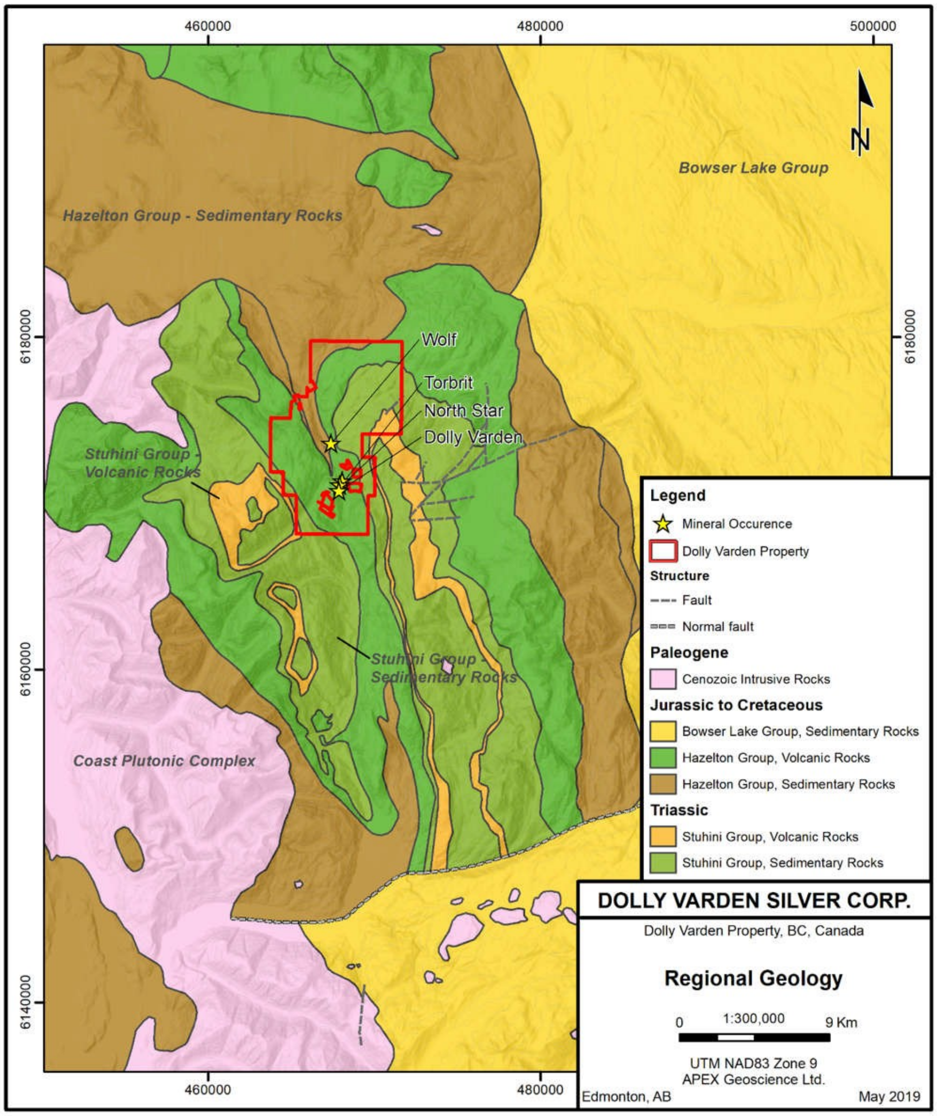
A stratiform barite-realgar-celestite showing was discovered by N. Wynchopen at Sault in 1966. In September 1989, work conducted included geochemical sampling, prospecting and diamond drilling (992 m). Highlights from historic drilling at Sault includes:

- 26.5 g/t Ag, 0.12% Pb, 1.39% Zn over 4.95 m from K89-11
- 10.3 g/t Ag, 0.27% Pb, 1.18% Zn over 4.17 m from K89-6 ext

Regional Geology

The Dolly Varden Project occurs within the Stikine Terrane (Stikinia), the largest arc terrane within the Canadian Cordillera, extending from the southern Yukon to south-central British Columbia (Gagnon et al., 2012; Monger et al., 1982). The Dolly Varden Project is situated within the Stewart Complex of the Stikine Terrane, a metallogenic island arc terrane that is host to over 200 mineral occurrences of predominantly precious metal vein type, skarn, porphyry and massive sulphide occurrences (Alldrick, 1993). The regional geology of the Dolly Varden Project area is shown in Figure 3.1.

Figure 3.1. Regional geology of the Dolly Varden Project.



Hazelton Group

On a regional scale, the Hazelton Group displays complex variable geology due to its compositionally mixed (volcanic and sedimentary) geological history. In the area between Kitsault and the Unuk River, the Salmon River Formation (forming the top of the Hazelton Group) comprises dacitic to rhyolitic flows and tuffs, basaltic flows and intercalated volcaniclastic intervals (Lewis, 2001). The Salmon River Formation is associated with the mineralization at Eskay Creek and is subdivided into the following members:

- Bruce Glacier Member; dacite to rhyolite flows, tuffs and epiclastic rocks.
- Troy Ridge Member; sedimentary and tuffaceous sedimentary rocks.
- John Peaks Member; mafic components with massive flow, pillow flow, pillow breccia and volcanic breccia textures.
- Eskay Rhyolite Member; rhyolite flows, breccias and tuffs.

Recent revisions of the Hazelton Group stratigraphy were made by Gagnon et al. (2012) based on re-evaluation of rock exposures in north-western British Columbia. The revisions divide the Hazelton stratigraphy into two main subdivisions: Lower Hazelton Group and Upper Hazelton Group, summarized as follows.

Lower Hazelton Group

This group consists of the basal sedimentary rocks of the Jack Formation and succeeding volcanic sedimentary rock packages. These latter include Betty Creek Formation equivalent intermediate and felsic volcanic rocks of the Unuk River and Brucejack Lake Members.

Upper Hazelton Group

This stratigraphic unit is interpreted as comprising more sedimentary rich strata deposited in response to subsidence and extension… Its basal layer consists of fossiliferous sandstone and local limestone of probable Toarcian age (Anderson and Thorkelson, 1990). In the Iskut River area it is succeeded by a volcano-sedimentary sequence of Upper Aalenian to at-least Lower Bajocian age (about 178 and 171.6 Ma)…In the Kitsault area, arc-related calc-alkaline volcanism is interpreted to have continued after regional subsidence and extension was initiated. On the Dolly Varden Project, a local basin formed and saw the eruption of additional intermediate, felsic and mafic volcanic rocks on its flanks with deposition of pyroclastic and epiclastic volcaniclastic rocks largely in a shallow marine environment. Hydrothermal activity was focused by extensional basin- bounding faults and cross faults; these features provided the traps for the valley's Ag-rich exhalative, replacement and vein mineralization. Calc-alkaline volcanism on the Dolly Varden Project may have extended at least into Upper-Pliensbachian time (about 183 Ma). Sedimentary rocks consisting of basal fossiliferous limey sandstone and bedded argillite succeeded the cessation of major volcanic activity, possibly after a hiatus.

Property Geology

The following discussion on the stratigraphy and structure of the Dolly Varden Project has been adapted from Garrow (2011) and Higgs and Giroux (2015). The Dolly Varden Project geology and simplified stratigraphy of the Dolly Varden Project is shown in Figures 3.2 and 3.3.

The Stuhini Group (TrSs and TrSv)

The oldest lithological unit on the Dolly Varden Project is the Upper Triassic aged Stuhini Group. The Stuhini Group outcrops along the eastern and western areas of the Dolly Varden Project, as mapped by Alldrick et al. (1986) and Devlin (1987). The Stuhini Group is divided into a sedimentary unit and a volcanic unit. The volcanic unit predominately consists of mafic dark green pyroxene-bearing basalt flows and breccias and the sedimentary unit is composed of thinly-bedded silty argillite, fine grained sandstone, siliceous siltstone and silty limestone.

Hazelton Group

Volcanic Rocks (JrHv)

The Hazelton Group hosts the known mineral deposits on the Dolly Varden Project. The majority of the Hazelton Group volcanic tuffaceous rocks within the Dolly Varden Project are interpreted to be Betty Creek Formation lithologies (Lower Hazelton) with possible Upper Hazelton Group in the younger rocks of the Kitsault Valley. The interpreted Betty Creek Formation hosts the Ag-Zn-Pb showings and Dolly Varden, North Star and Torbrit deposits, as well as the epigenetic epithermal Ag mineralization at Wolf and Kistol and the quartz-sulphide veins, breccias and stockworks at Red Point.

Figure 3.2. Property geology of the Dolly Varden Project.

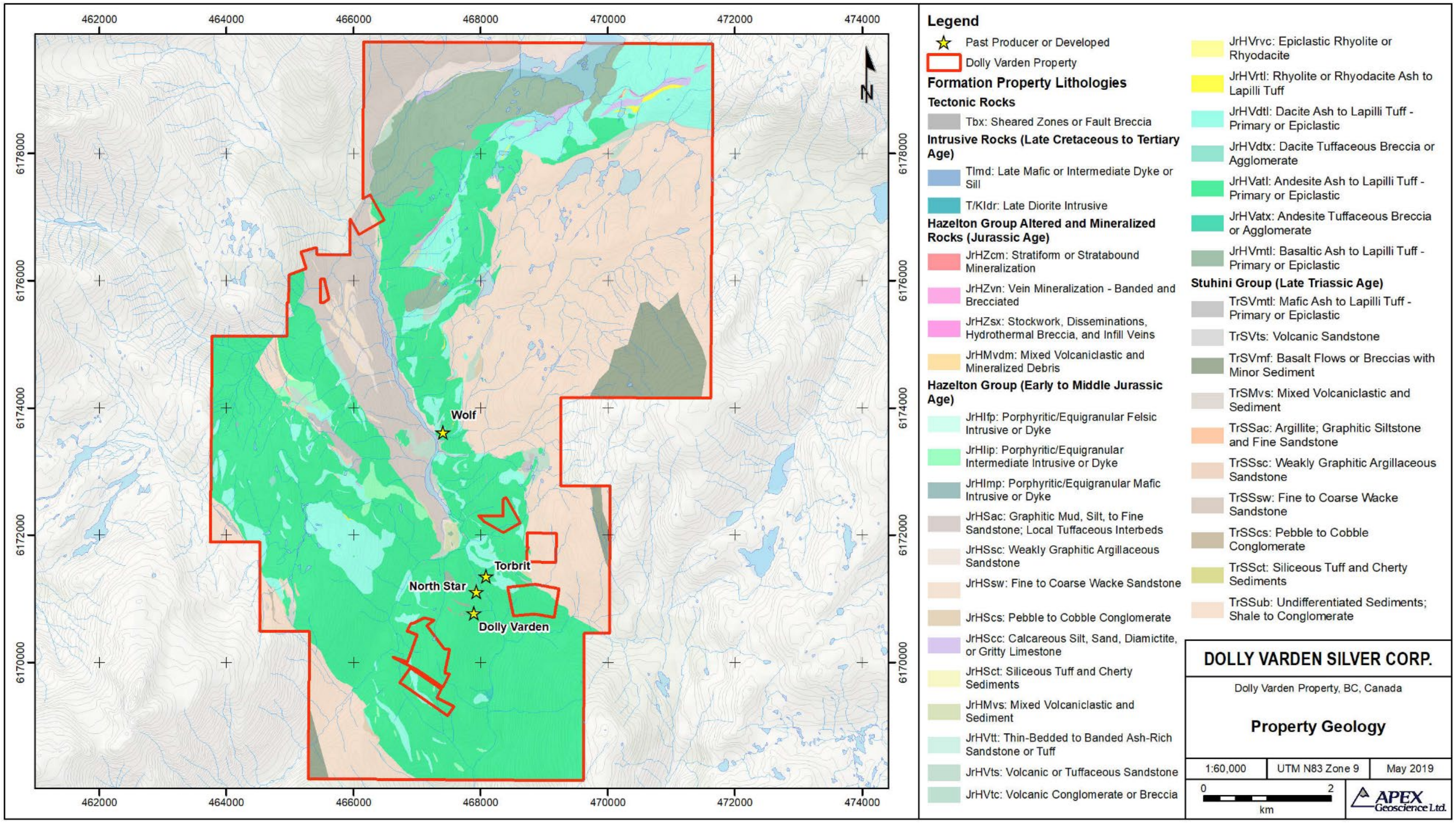
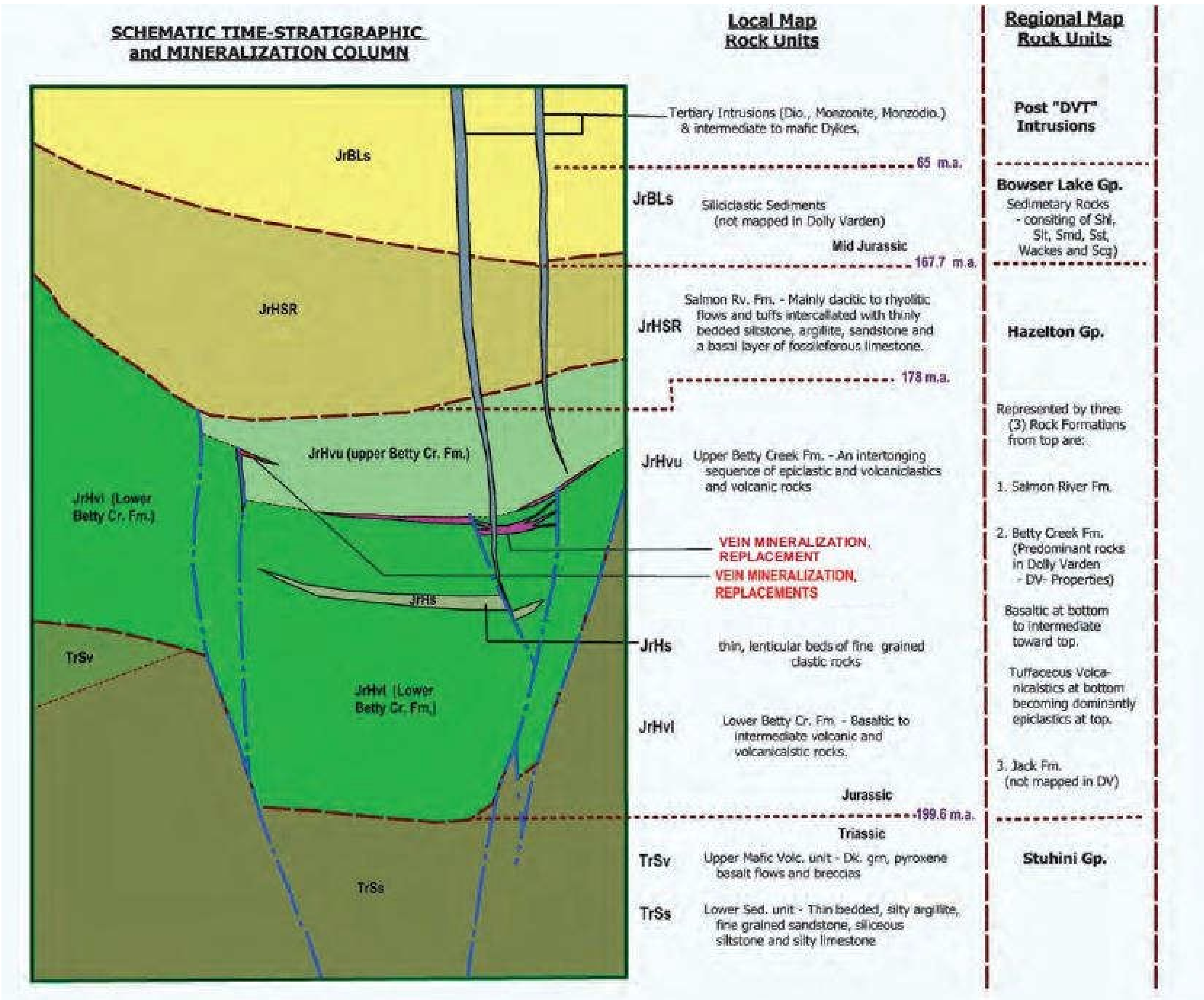


Figure 3.3. Simplified stratigraphic and mineralization column of the Dolly Varden Project (from Higgs and Giroux, 2015).



Intrusive Rocks (JrHiv)

Lower Jurassic aged Hazelton Group intrusive rocks on the Dolly Varden Project are observed within the Red Point and Goldbelt Zones. The rocks observed are massive hornblende- feldspar porphyritic intrusives, interpreted to be sub-volcanic intrusive equivalents of the Hazelton volcanic rocks. Alteration of the intrusive rocks include sericite, quartz and pyrite alteration.

Sedimentary Rocks (JrHs and JrHSR)

Lower Jurassic aged Hazelton Group sedimentary rocks on the Dolly Varden Project are observed within the tuffaceous Betty Creek Formation and consist of black siltstone, argillite, argillaceous sandstone and conglomerate.

Bowser Lake Group (JrB)

Middle Jurassic Bowser Lake Group sedimentary rocks are observed near Kitsault Lake near the northern boundary of the Dolly Varden Project.

Post-Ore Intrusive Rocks (Ti)

Post-ore intrusive rocks on the Dolly Varden Project include fine-grained hornblende-feldspar diorite plugs and dykes, mafic and intermediate dykes and porphyritic ultramafic lamprophyre dykes.

Structure

Major structural features observed within the Dolly Varden Project include folds, Cretaceous compression structural features and large north to northwest trending faults. Folding on the Dolly Varden Project is generally broad and open with upright axial planes that strike to the north and northwest. Examples of folding and Cretaceous compression include an anticline in Stuhini Group rocks at the headwaters of Evindsen Creek and a northwest trending synform along the central axis of the upper Kitsault Valley. Salmon River Formation sediments form the core of the synform, with Betty Creek Formation volcanic and sedimentary rocks flanking the core.

Large north-northwest trending, west dipping faults displace the rocks and mineralization at the Dolly Varden, North Star and Torbrit mines. Notable faults on the Dolly Varden Project include the Mitchell Creek Fault and the Moose Lamb Fault. The Mitchell Creek Fault lies to the west of the Dolly Varden Mine and Kitsol showing, strikes to the north and dips approximately 60° west. The Moose Lamb Fault is located just east of the Torbrit Mine, strikes to the northwest and dips to the west. The Moose Lamb Fault was likely active during the deposition of Hazelton Group volcanic rocks and active after ore deposition.

Thrust faults are present on the west side of the Kitsault River, as indicated by geophysical, structural outcrop and drill data. These faults dips to the southwest and are interpreted to be a product of regional Cretaceous aged compression that formed the Skeena Fold Belt and are likely concurrent with folding observed in the same area.

Mineralization

Historic and recent exploration has identified several styles of mineralization within the Dolly Varden Project. The following list of notable mineralization styles, with examples of prospects and deposits, has been adapted from McCuaig and Sebert (2017) and Higgs and Giroux (2015):

- Exhalative stratiform silica-sulphide-rich mineralization containing variable amounts of quartz, chalcedony, barite, carbonate, jasper, galena, sphalerite, ruby silver, and other silver bearing minerals. This mineralization is observed in the Dolly Varden Torbrit (DVT) horizon at North Star and Torbrit.
- Exhalative stratiform pyrite, sphalerite, galena, chert, carbonate-rich mineralization at the Sault prospect and in the upper portion of the Trout Horizon.
- Stratabound, infill and replacement Ag-sulphosalt-rich mineralization in the lower portion of the Trout Horizon.
- Quartz-silica, carbonate and variably barite-rich epithermal Ag mineralization containing low to moderate amounts of galena, sphalerite and pyrite accompanied by lesser tetrahedrite, pyrargyrite, argentite/acanthite and local native silver. Colloform to crustiform banded chalcedony, quartz and bladed carbonate or barite textures are common. Hydrothermal brecciation, sealed by later gangue and sulphide, and cut by late stage veining is present in parts. Epithermal mineralization occurs as structurally hosted veins and fissure fills at Wolf, Kitsol and Dolly Varden. At Torbrit mineralization consists of a combination of Ba-rich semi-conformable pod-like stratabound infills, with sheet-like veining, and in close proximity to reworked debris-style mineralization, and local stratiform lenses of thin-bedded barite and sinter-like silica-rich exhalate.
- Quartz-sericite-pyrite altered zones containing Cu-Ag- (+/-) Au mineralization in quartz-sulphide stockwork, hydrothermal breccias and veins. This mineralization contains chalcopyrite, sphalerite, galena and minor sulphosalt and tends to be enriched in Cu relative to Pb and Zn, while hosting elevated Ag (+/-Au). As/Sb ratios are higher than in the epithermal or stratiform types. Pervasive quartz- sericite-pyrite alteration is observed at the Gold Belt prospect and sericite-pyrite (with lesser quartz) alteration bounds the North Star deposit. Potassium feldspar alteration is observed within the Red Point mineralized zones.

Furthermore, Drown et al. (1990) and McGuigan and Melnyk (1991) outlined four distinct mineralization facies of exhalative stratiform mineralization at the Dolly Varden Project, as adapted from Garrow (2011):

1) Silica-sulphide exhalative: quartz dominated, lacking calcite and barite. Sulphides consist of pyrite, chalcopyrite with minor argentite, pyrargyrite and native silver. This mineralization facies is observed at the Dolly Varden Mine and Dolly Varden East Zone.
2) Silica-carbonate-sulphate-sulphide exhalative: comprised of calcite, quartz, barite and sulphides. Vertically zoned with a pyrite-silver rich upper zone and zinc-lead- silver rich middle zone that is locally a volcanogenic massive sulphide. Mineralization consists of layers, stringers and disseminations of sphalerite, galena and pyrite with lesser chalcopyrite (15-20% sulphides) in a variable gangue of quartz, calcite and barite. This mineralization facies is observed in the North Star and Dolly Varden West deposits.
3) Sulphate-oxide-sulphide exhalative: comprised of quartz, calcite, barite, hematite, jasper and sulphides. Mineralization is predominately silver, sphalerite, galena with minor chalcopyrite, pyrargyrite and tetrahedrite (5-10% sulphides) in a gangue dominated by quartz with lesser calcite and barite. This mineralization facies is observed in the Torbrit, Torbrit East and Moose Lamb deposits.
4) Debris flow breccia mineralization: an internally fragmented, re-cemented breccia is a common feature of all exhalative debris flow facies. They are mapped as polylithic exhalative breccias and include examples of all the silica, oxide, sulphate and sulphide mineralization types and contain volcanic rock fragments. The breccias are interpreted to have formed in unstable, shallow seafloor mounds as hot-spring veins and precipitates of sea floor vent exhalations or as hydrothermal eruption breccias.

The author, during a site visit from October 1 to 2, 2018, examined pyrargyite mineralization and native silver mineralization from underground drillcore samples at Torbrit and sulphide rich mineralization at Dolly Varden. Photos of the mineralization observed in the core at the Torbrit and Dolly Varden deposits during the site visit are available in the Dolly Varden Project Report.

Deposit Types

Historic and recent exploration on the Dolly Varden Project, as well as studies completed by Devlin (1986) and Dunne and Pinsent (2002), suggest a potential for the Dolly Varden Project to host volcanogenic massive sulphide (VMS) deposits and epithermal precious metal deposits.

Studies by Dunne and Pinsent (2002) suggests similarities between the depositional environment of the Au-Ag-rich high-sulphidation VMS deposit style mineralization at the Eskay Creek Mine and the Dolly Varden Project. The Eskay Creek VMS deposit (Eskay Creek) is located 75 km northwest of Stewart and 125 km north of the Dolly Varden Project. Eskay Creek is a low temperature Au- rich VMS deposit that formed in a submarine volcanic environment. Eskay Creek is distinguished from other VMS types by high precious metal grades, epithermal suite elements including Sb-Hg +/- As, sulfosalt-rich mineralogy and the dominance of clastic sulphides and sulfosalts (Ross, 2002).

The Eskay Creek Mine was in production from 1994 to 2008 with total production of 3,272,628 oz Au and 5,039,065 oz Ag (Ulansky et al., 2019). Roth (2002) indicates that the potential exists for similar discoveries to Eskay Creek in complex arc environments with concurrent tectonic and magmatic activity, basin development and subaerial to subaqueous conditions. Furthermore, historic and recent exploration at the Dolly Varden Project suggests potential for a low-sulphidation epithermal precious metal deposit.

Exploration

The Company has been exploring the Dolly Varden Project area since 2011, discovering new exploration targets and advancing known prospects and deposits by systematic exploration. Exploration work from 2011 to 2019 has consisted of geological mapping, geochemical surveys, geophysical surveys and drilling.

Geological Mapping and Rock Sampling Interpretations and Conclusions

Geological mapping and lithogeochemical sampling was conducted at various prospects throughout the Dolly Varden Project in two main programs in 2015 to 2016; 1) 2015 geological mapping underground at Torbrit and North Star and on surface at Musketeer, Ace-Galena Trout and Kitsol; and 2) 2016 geological mapping at Summit Ridge, Ace- Galena Trout, Chance Creek, Trout Hanging Wall, Northeast Sediment-Volcanic Contact and Medallion. Sporadic geological mapping and sampling was conducted throughout the Dolly Varden Project in 2017 and 2018.

The geological mapping and lithogeochemical sampling provided information on the stratigraphy and structure of prospect areas and identified multiple zones of mineralization, as well as anomalous zones warranting further exploration within the Dolly Varden Project. The mapping and sampling work completed at Ace Galena-Trout identified multiple zones of mineralization, including: 1) Ag-sulphosalt-rich sulphide mineralization; 2) sulphosalt-galena-rich mineralization; 3) Exhalative disseminated to laminated Pb-Zn mineralization; and 4) Discordant native silver-rich mineralization. The mineralization indicates extensive hydrothermal circulation within the Trout Horizon, notably the lower portion. The lithogeochemical sampling at Ace-Galena Trout showed the following:

- Ag, As, Hg, Pb, Zn anomalies within the upper portion of the Trout Horizon in samples taken along the Bluebird Fault.
- Elevated Sb within the Trout Horizon.
- Cu anomalies appear to be associated with Ag-sulphosalt type mineralization.
- Trout Zone volcaniclastic package is characterized by broad sodium depletion and potassium enrichment.

The Summit Ridge geological mapping and geochemical sampling programs provided information on the stratigraphy of the area and highlighted potential similarities and connections to the Trout Horizon. Notably, the composition and attitude of the lithologies within a creek drainage located 400 m up-slope and east of the McKay trench area suggests further extension of the Trout strata approximately 270 m to the east of the McKay trenches. Additionally, a mineralized vein occurring sub-parallel to a west- northwest trending fault suggests the potential for hydrothermal fluid flow through west- northwest trending structures in the area. The lithogeochemical sampling at Summit Ridge showed the following:

- A 1 km long anomaly over the Chance prospect with elevated Ag, Pb, Sb, As, Hg, Zn, Cu, Ba and Tl.
- Ag, Zn, As highlighted in dacite tuff and in tuffaceous sandstone lithologies.
- K enrichment of basalt and dacitic rocks.

The reconnaissance mapping and sampling program at the Trout Horizon Hanging Wall and northeast sediment-volcanic contact provided information regarding the stratigraphy of the area and helped to define the extent of certain lithologies, particularly to the northwest side of the Bluebird Fault. Additionally, the program identified structurally controlled sericite alteration and geochemical anomalies. The alteration observed in the Trout Horizon Hanging Wall occurs in structural zones of faults and fractures with orientations varying from the east-northeast to the northwest. The lithogeochemical sampling at the Trout Horizon Hanging Wall and Northeast Sediment-Volcanic Contact showed the following:

- A weak anomaly of Sb, As, Pb along the eastern bank of Clearwater Creek. This anomaly coincides with a zone of Na depletion.
- Ba anomalies in several zones within the Dolly Varden Project. The two largest anomalies occur in andesite tuffs northwest of Bluebird Creek and in andesite and basalt toward the east bank area of Clearwater Creek.

The 2016 geological mapping and sampling program identified extensive alteration, structure features and precious metal mineralization within structurally controlled veins at Medallion. The lithogeochemical sampling at Medallion showed the following:

- A Cu anomaly in the area north of Homestead Creek.
- A weak Au anomaly on the south side of Homestead Creek.
- Altered rocks show elevated values of As and Pb. Altered intermediate lapilli and ash tuffs show moderate to strong Na depletion.
- Sb is anomalous along the Medallion prospect.

Soil Sampling Interpretations and Conclusions

A soil sampling program was conducted over a portion of the Dolly Varden Project in late 2015 with focus on the Wolf, Silver Horde, Chance and Ace-Galena Trout target areas. A total of 1823 soil samples were collected over the Dolly Varden Project. Three main anomalous areas were identified by the sampling program. Anomalous zones of elevated metals were defined near the Wolf prospect and at Silver Horde, as indicated by Ag, Pb, Zn, Sb and Ba results. Additionally, an anomalous zone of elevated metals was highlighted, starting from the Chance prospect and trending to the northeast for approximately 1.2 km. This zone appears to run parallel to the historic Ace-Galena soil anomaly.

In 2016, an orientation line totalling ten soil samples was conducted near Ace-Galena and analyzed in the field using a portable XRF (X-ray fluorescence) unit. It is important to note that although the XRF analysis data is semi-quantitative, it does provide an excellent means of determining relative abundances (concentrations) of various key elements in the samples. The soil line shows weakly to moderately anomalous Cu and Zn values.

Diamond Drilling Interpretations and Conclusions

Four drilling programs have been completed at the Dolly Varden Project from 2015 to 2018, with 152 diamond drill holes, totalling 49,199 m, drilled by the Company. The drill programs focused on exploration and reconnaissance drilling, as well as resource delineation and verification of the known Project deposits. The drilling programs successfully achieved the following: 1) identified high grade Ag mineralization at three new prospect areas, including Moose-Lamb, Torbrit North and Torbrit East; 2) extended mineralization at several known prospects, including Ace-Galena, Kitsol, Torbrit and Dolly Varden; 3) expanded the current mineral resources at Torbrit and Dolly Varden; and 4) confirmed the presence of VMS style and epithermal mineralization within the Dolly Varden Project.

Drilling

An excellent and comprehensive summary of the historical drilling programs conducted at Dolly Varden was compiled in a previous Dolly Varden Project Report on the Dolly Varden Project by Higgs and Giroux (2015). The following sub-section has been reproduced, with minor formatting modifications, from Higgs and Giroux (2015):

Previous drilling on the North Star deposit by Torbrit Silver Mines Ltd in 1957-58 penetrated a well mineralized horizon with 3 drill holes including an intersection in hole NS-17 assaying 72.3 g/t Ag, 3.38% Pb, and 16.48% Zn over 3.5m. There has been minor historic drill programs conducted on a number of the mineral occurrences on the property, including Red Point, Ace-Galena, Moose, Climax, Kitsol, Musketeer and Surprise. Below is a table summarizing the historic drilling at a number of these locations.

Table 4.1. Historic summary of drilling outside of deposits (from Higgs and Giroux, 2015).

Zone	Years	Metres Drilled	Notable Results
Ace-Galena	1951, 1968	1845	12.8 oz/t Ag over 0.5 m; 6 oz/t over 8.8 m

Zone	Years	Metres Drilled	Notable Results
Last Chance	1963-1975	1893.4	9.4 oz/t Ag over 11.5 m; 17.7 oz/t Ag over 15.2 m; 54.8 oz/t Ag over 1.52 m; 14 oz/t Ag over 5.88 m
Moose-Climax	1964, 1967	1654	10.5 oz/t Ag over 2.44 m; 10.7 oz/t Ag over 1.28 m; 7.5 oz/t Ag over 12.5 m
Sault	1984-1989	2,274.8	0.77 oz/t Ag over 5.0 m

Drilling at the Wolf deposit was conducted by Sunshine Mining Company (option on holdings of Dolly Varden Mines Ltd) in 1964. In addition to 310.90 m of drifting and cross cutting in the 1200 level, 3137.92 m of surface and underground diamond drilling was completed. In 1968, 97.54 m of percussion drilling were completed on the Wolf by Dolly Varden Mines Ltd. In 1989-90 a two-year diamond drilling program was conducted and funded by Dolly Varden Minerals Inc. and supervised by Cambria Geosciences.

The historical drilling at the known deposits prior to 1989, both on surface and underground, can be summarized as follows:

Table 4.2. Drilling totals prior to 1989 at major deposits (from Higgs and Giroux, 2015).

Deposit	Number of Holes	Total Meterage
Torbrit	361	13,333.65
Wolf	92	8,124.27
North Star	120	7,429.69
Dolly Varden	22	2,686.33

During the 1989 diamond drilling program, 6 holes totalling 2397 m of drilling were completed. The best intersection occurred in drill hole NS 89-4 assaying 7.83% Zn, 2.28% Pb, and 167.30 g/t Ag over 6.46 m. A 4.3 m intersection in hole NS89-3 assayed 0.65% Cu and returned a geochemical analysis of 1851 ppb Au. During the period from June 1 to August 31, 1990 surface diamond drilling on the Dolly Varden Project totalled 7,095.90 m in 18 holes. Drilling was conducted on portions of the North Star, Dolly Varden, Torbrit deposits and the V Vein. In 2011, 21 surface diamond drill holes totalling 4,607.36 m was carried out at the Wolf deposit. The 2012 drilling program targeted the down-dip and strike extension of the Dolly Varden mineralization, with six diamond drill holes aggregating 1,728.21 metres. Drilling confirmed the grade and tenor of mineralization indicated in historic drilling and historic mineral resource estimates above 450 m elevation, with well-mineralized intercepts in holes DV12-2 and DV12-4.

In the 2013 drilling program at the Torbrit mine, fourteen holes were drilled for a total of 3,069 m from 4 different drill platforms. A total of 2,605 m of core was sampled, resulting in 1222 drill assay samples. The Torbrit mineralization appeared as epithermal veins, banded zones, banded breccias as well as massive carbonate, quartz and barite replacement. It is clear from the 2013 program that a large component of the Torbrit deposit mineralization represents a long-lived multi stage system with silver-rich hydrothermal veining.

In 2014, a total of 12 NQ diamond drill holes, totalling 5,280 m, were completed on the Dolly Varden Project. The program was designed to test six distinct property-scale targets for high- grade Ag-Au mineralization:

- The NNW strike extension of the Torbrit deposit (Torbrit);
- Possible extension of the Torbrit graben North of Evindsen Creek (Torbrit NW);
- The Red Point alteration system (Red Point);
- The intersection of prospective stratigraphy with well mineralized / altered structures (Musketeer North, Kitsol); and;
- The contact between the Salmon River Formation and the underlying Hazelton Group volcanic rocks (Wolf).

The program was successful in intersecting moderately anomalous to high-grade Ag mineralization at all target areas. Drill core was transported to TerraLogic Exploration’s core processing facility in Alice Arm, BC where the core was logged and sampled. Core logging included surveys with a magnetic susceptibility meter, portable XRF, gamma-ray spectrometer and a HALO optical spectrometer.

Four drill programs have been completed at the Dolly Varden Project from 2015 to 2018. Since 2014, the Company has completed 152 diamond core drillholes totalling 49,199 m at the Dolly Varden Project. In 2015, Dolly Varden completed a total of 10 diamond drill holes, totalling 2,037 m. The drill program tested three different target areas within the Dolly Varden Project, including Ace- Galena, Kitsol and the Sediment target. Moderately anomalous to high grade Ag mineralization was intersected at Ace-Galena and Kitsol. Furthermore, the lithology, alteration and mineralization intersected in the 2015 drillholes confirm the presence of VMS style mineralization at the Dolly Varden Project.

In 2016, Dolly Varden completed a total of 13 diamond drillholes at the Dolly Varden Project, totalling 2,312 m. Moderately anomalous to high grade mineralization was intersected in the 2016 drill program at Torbrit and Ace-Galena.

In 2017, Dolly Varden completed a total of 45 diamond drillholes at the Dolly Varden Project, totalling 15,715.8 m. The 2017 drill program identified four new exploration targets within the Dolly Varden Project, including:

- Moose-Lamb: Epithermal vein-type mineralization in the Moose-Lamb Fault with 4 m grading 987.5 g/t Ag, 5.90% Pb, 0.90% Zn from DV17-063.
- Torbrit North: Dolly Varden Torbit horizon (high-grade exhalative) mineralization in the footwall of the Moose-Lamb Fault with 7.65 m grading 481.1 g/t Ag, 0.50% Pb and 0.29% Zn from DV17-058 and 22.74 m grading 433.3 g/t Ag, 0.74% Pb and 0.90% Zn from DV17-063.
- Torbrit East: Dolly Varden Torbrit horizon (high-grade exhalative) mineralization in the footwall of the Torbrit base structure with 6.85 m grading 298.5 g/t Ag, 1.06% Pb and 0.80% Zn from DV17-076 and 5.00 m grading 481.9 g/t Ag, 0.21% Pb and 0.12% Zn from DV17-078.
- Beginners Luck: silver mineralization in a breccia structure.

In 2018, Dolly Varden completed a total of 84 diamond drillholes at the Dolly Varden Project, totalling 29,134.20 m. The 2018 drill program confirmed high grade mineralization at Torbrit, Torbrit East, Moose-Lamb, in the Kitsol Zone and at Dolly Varden.

Sample Preparation, Analyses and Security

The following describes the surface sampling procedures for rock and soil sampling for mineral exploration that have been established by the Company. All sampling is conducted under the supervision of the Company’s geologists or sampling technicians trained by TerraLogic Exploration Inc (TerraLogic). The chain of sample custody from the field to the laboratory is continuously monitored.

Rock Samples

Rock samples are collected at the Dolly Varden Project using the following procedure:

1) Sample location is determined using a handheld GPS or from the interpretation of detailed aerial photos;
2) A heavy grade plastic sample bag is labelled with sample ID (on both sides of the bag in permanent marker);
3) Sample information is entered into a notebook, information includes: date, field station, site coordinates, area, lithological unit and description, alteration and additional comments;
4) A 1 to 2 kg sample is collected from the sample location;
5) A photograph is taken of the sample collected and the sample location;
6) The sample is inserted into the sample bag and the bag is sealed using a plastic cable tie;
7) The sample site is marked with flagging tape and an aluminum tag (with corresponding sample ID inscribed on the tag);
8) Samples are transported back to camp at the end of the day;
9) Select samples are cut for detailed description and photographs before being shipped for analysis;
10) Samples are catalogued and placed into poly woven rice bags labelled with sample IDs;
11) A sample manifest is inserted into the first rice bag before being sealed; and
12) Rice bags are weighed and shipped according to section 11.1.2.

Soil Samples

Soil samples are collected at the Dolly Varden Project using the following procedure:

1) Sample location is determined using a handheld GPS;
2) A sample bag is labelled with sample ID and a corresponding sample tag is inserted in the bag;
3) Sample information is entered into a notebook, information includes: date, site ID, site coordinates, sample description, sample depth, slope angle, sample quality and additional comments;
4) Samples are collected from the B-horizon (typically 25 to 45 cm below the surface) if possible;
5) Samples are transported back to camp and hung to dry prior to shipping;
6) Samples are placed into rice bags labelled with sample IDs and a sample manifest is inserted into the first rice bag before being sealed; and
7) Rice bags are weighed and shipped according to section 11.1.2 below.

Rock and soil samples are shipped separately, and all samples are double checked with the sample manifest before being sealed into rice bags. In the opinion of the author of the Dolly Varden Project Report, the rock and soil sampling procedures and protocols employed by Dolly Varden are sufficient to ensure sample integrity and the resulting samples and their analysis are appropriate with respect to their intended use. There are no indications that there were any significant issues with respect to sample bias or sample security.

Diamond Drilling

Drill core collection occurs at the drill site after a drill site inspection is conducted. Drill site inspections are conducted under the supervision of the Company's geologists or consultants from TerraLogic and occur twice daily at shift change. Drill site inspections include safety checks and drillcore monitoring to ensure correct placement of the drillcore/core markers in the core boxes. Once the inspection is complete, the core boxes are loaded into metal baskets and transported to camp by helicopter. At the secure logging facility, Dolly Varden or TerraLogic personnel complete the following:

- The core boxes are laid out on wooden skids and a core inspection is completed.
- A quick summary log is completed on the core. Summary log information includes alteration, lithology and mineralization.
- The core boxes are transferred into the core shack for logging and sampling.
- Geotechnical procedures completed on the whole core include:
    - converting footage markers to metric and recording one-meter intervals on the drill core;

    - marking meterage on drill boxes;
    - calculating core recovery;
    - affixing a metal tag with drillhole number, box number and the meterage interval information to each core box; and
    - recording the metal tag information into a digital data capture device.
- Geological logging procedures completed on the whole core include:
    - marking sample intervals (completed by a project geologist) and recording the sample number and interval on each sample tag;
    - recording the sample tag number and sample interval into the digital data collection device;
    - recording the total recovered length of each sample interval; and
    - logging all geological data into an Access database, information collected includes alteration, brecciation, lithology, mineralization, structure, shearing, veining and vein intervals.
- After logging, the core is removed from the core shack, stacked and photographed.
- Core sampling begins at the start of each sample interval and continues to the bottom of the hole.
- Core sampling is conducted using a conventional rock saw fitted with a diamond saw blade. The procedure for core sampling is as follows:
    - sample tags and sample bags are prepared prior to sampling;
    - each sample interval is visually inspected by the geo-technician prior to cutting to determine the best split for equal representation of the mineralization;
    - the core is cut in half using the rock saw;
    - half of the core is placed in the pre-marked sample bag and the other half is returned to the core box;
    - the core saw is washed clean between each sample interval;
    - standard reference materials are inserted into the sample sequence by the Dolly Varden Project geologist at a rate of approximately 1 in every 25 samples (depending on the distribution of the metal-bearing zones);
    - blank reference materials are inserted into the sample sequence by the Dolly Varden Project geologist at a rate of approximately 1 in every 20 to 40 samples (depending on the distribution of the metal-bearing zones);
    - duplicate samples are inserted into the sample sequence at a rate of approximately 1 in every 30 samples;
    - sample bags are sealed using plastic ties and are placed into rice bags labelled with sample IDs; and
    - sample bags are lined up in order prior to shipment.

All core samples are double checked with the sample manifest before being sealed into rice bags. The chain of custody from the drill site to the laboratory is managed by the Company. The author of the Dolly Varden Project Report cannot verify that the samples were not tampered with during shipping, although no issues with sample shipment or acceptance at the laboratories were reported.

In the opinion of the author of the Dolly Varden Project Report, the drill core sampling procedures and protocols employed by Dolly Varden are sufficient to ensure sample integrity and the resulting samples and their analysis are appropriate with respect to their intended use. There are no indications that there were any significant issues with respect to sample bias or sample security.

Data Verification

The authors of the Dolly Varden Project Report found no significant issues with the Company's surface and underground drilling and sampling databases and deemed them suitable for use in the mineral resource estimates.

Dolly Varden Silver Corporation, and its primary exploration consultants TerraLogic Exploration Inc., have adopted a comprehensive Quality Assurance and Quality Control (QAQC) program at the Dolly Varden Project. The primary author of the Dolly Varden Project Report (Mr. Turner, P.Geol.) was able to evaluate the key components of the Company's QAQC program during a visit to the Dolly Varden Project completed in October 2018 and found no issues. With respect to all non-analytical data, the company utilizes a number of important QAQC protocols designed to ensure data quality, including:

- the surveying of drill collars by differential GPS;
- the collection of down-hole surveys in all drillholes; and
- the validation through repeated checks of all drillhole logging information, including consistency checks for lithologic units and descriptions, monitoring/supervision of logging progress from geological and geotechnical logging to core sampling, and the verification of digitized data to illuminate data entry errors.

The author of the Dolly Varden Project Report, Mr. Turner, visited the Dolly Varden Project on October 1 and 2, 2018. During the site visit the author collected six duplicate core samples to confirm the presence of Ag mineralization. Zn. The results of the silver analyses on the author's confirmation samples agree reasonably well with the Company's original analytical results considering the fact that the samples comprised relatively high silver grades and their silver contents will naturally exhibit some degree of variance due to the distribution of native silver and silver-bearing sulphide minerals.

Mineral Processing and Metallurgical Testing

Until this year (2019), there had not been any modern metallurgical testwork completed on mineralization from any of the deposits or prospects at the Dolly Varden Project. On May 8, 2019, Dolly Varden Silver announced (Dolly Varden, 2019a) the results of an initial metallurgical test program that examined samples for mineralization from the Dolly Varden and Torbrit deposits. In the opinion of the authors of the Dolly Varden Project Report, judging by the detailed list of samples that were submitted and composited for testing, the mineralization tested appears to have been reasonably representative of the respective deposits, but tests completed represent an early stage (high level) examination of the materials' metallurgical characteristics. Thus, although results were encouraging, and no significant issues were identified, these results are not yet sufficiently detailed or comprehensive to allow for any sort of economic assessment of the deposits. As a result, additional test work is recommended.

In January 2019, samples from the Torbrit and Dolly Varden deposits were shipped to Blue Coast Research Ltd. (BCR), located in Parksville, BC for a preliminary metallurgical assessment. The testwork focused on feed characterisation (head assays and mineralogical analysis via QEMSCAN), comminution testing (Bond Ball Work Index), froth flotation, whole ore cyanide leaching, cyanide leaching of flotation tails and gravity recoverable silver testing. Based on the testwork conducted at Blue Coast Research Ltd. It is realistic to expect that Dolly Varden and Torbrit material could return on average, 86% and 88% silver recovery respectively. Dolly Varden is best suited to a whole ore tank leach process which will likely not result in payment for the base metals – further optimisation of flotation conditions may result in a flowsheet whereby zinc can be better rejected from the lead concentrate, but further testwork is required to demonstrate this. Torbrit appears to respond more favourably to differential lead/zinc flotation with cyanidation on the flotation tails providing additional silver recovery.

It is recommended that as the Dolly Varden Project advances additional metallurgical testwork is conducted to increase the robustness of the metallurgical projections indicated above.

A technical report supporting maiden resource estimations for the Dolly Varden, Torbrit, North Star and Wolf deposits, at the Dolly Varden Project, was completed in 2015 (Higgs and Giroux, 2015). Since that time, the Company has conducted significant drilling programs at the Dolly Varden and Torbrit deposits which has provided sufficient data to allow for the revised geological modeling and resource estimation for these two deposits. No significant exploration work has been conducted by the Company at either the North Star or the Wolf deposit areas. As a result of this review, and the fact that no significant new work has been completed at the deposits, the 2015 maiden resource estimates for the North Star and Wolf deposits remain current and are reported below in Table 5.1 (from Higgs and Giroux, 2015).

Table 5.1. 2015 North Star and Wolf Mineral Resource Estimates (modified from Higgs and Giroux, 2015).

Classification	Deposit	Cut-off (g/t Ag)	Tonnage above Cut-off (Tonnes)	Average Grade Ag (g/t)	Contained Oz. Ag
Indicated	Wolf	150.0	402,000	296.6	3,834,000
	North Star	150.0	236,000	262.8	1,994,000
Inferred	Wolf	150.0	9,500	230.6	70,000
	North Star	150.0	4,800	223.6	35,000

The Dolly Varden and Torbrit Deposits are located on Dolly Varden Silver Corp's Dolly Varden Project in northwestern BC, Canada. The Dolly Varden Project utilizes UTM coordinates (NAD 1983, Zone 9) for the basis of its geospatial data collection, although some historical data has been collected in a local coordinate system that has been converted to UTM The updated Dolly Varden and Torbrit deposit mineral resource estimation work was completed by Mr. Nicholls, MAIG under the direct supervision of Mr. Turner, P. Geol., who is a Qualified Person as defined by National Instrument 43-101. Mineral resource modelling and estimation was carried out using a 3-dimensional block model based on geostatistical applications using commercial mine planning software MICROMINE (v18.0.947.6). The Torbrit resource comprised an indicated resource of 2.623 million tonnes at an average grade of 296.8 g/t Ag for 25.025 million ounces of silver and an inferred resource of 1.185 million tonnes at an average grade of 278 g/t Ag for 10.588 million ounces of silver (Table 17.2). The Dolly Varden resource comprises an indicated resource of 0.156 million tonnes at an average grade of 414.2 g/t Ag for 2.078 million ounces of silver and an inferred resource of 0.086 million tonnes at an average grade of 271.5 g/t Ag for 0.745 million ounces of silver (Table 17.3). Both resources are considered to exhibit reasonable prospects for economic extraction at today's silver price. The base case cut-off grade of 150 g/t Ag was selected, which is considered appropriate based on the Dolly Varden Projected silver price, the Dolly Varden Project's current size, favorable location for access, power, water, labor force and other assumptions derived from deposits of similar type and scale.

The 2019 Mineral Resource Estimates for the Torbrit and Dolly Varden deposits of the Dolly Varden Project were based on 85 surface diamond core holes, 275 underground diamond core holes and 123 underground channel/face samples for the Torbrit deposits and 27 surface diamond core holes, 26 underground diamond core holes, 9 trenches and 229 underground channel/face samples for the Dolly Varden deposits. The estimated mineral resources were produced using ordinary kriging. The resource is based upon creating a composite file from the individual assays situated within the interpreted mineralized zones (resulting in 4,559 composite samples for Torbrit and 607 composite samples for Dolly Varden). Search ellipsoid orientation was based on the mineralization and geological interpretation, with the ranges guided by the mineralization continuity identified in the variography. For both deposits the range of the silver variographic sill was approximately 100 m. High-Grade Capping was applied to both silver populations with these limits comprising 3,000 g/t Ag for Torbrit and 1,600 g/t Ag for Dolly Varden. Block models were created using a 5 (m) x 5 (m) x 5 (m) parent block size and subblocking down to 1 (m) x 1 (m) x 1 (m). For the Torbrit mineral resource estimate a bulk density of 3.1 kg/m3 was applied, based on 895 specific gravity (SG) measurements collected throughout all of the lodes comprising the deposit. For Dolly Varden, a bulk density value of 3.0 kg/m3 was applied to the estimate based on 377 SG measurements throughout the deposit. The geological models provided to APEX by the Company and Terralogic included wireframes representing historical workings (drifts, stopes and raises) for both the Dolly Varden and Torbrit Deposits, which were utilized by APEX during the resource estimation work to flag blocks as "mined" or "remnant" with the reported mineral resources comprising the "remnant" blocks.

The 2019 updated Dolly Varden and Torbrit deposit mineral resources have been classified as comprising both Indicated and Inferred resources according to the recent CIM definition standards. The classification of the Dolly Varden resource was based on geological confidence, data quality and grade continuity. No portion of the current mineral resource has been assigned to the "Measured" category. No formal economic assessments have been completed on any of the currently defined mineral resources at the Dolly Varden Project. However, based upon their size, grade, location and historical mining, in the opinion of APEX Geoscience Ltd., the updated (2019) Dolly Varden and Torbrit deposit mineral resources have reasonable prospects for future economic extraction.

The 2019 updated Mineral Resource Estimate for the four deposits on the Dolly Varden Project comprises an Indicated Mineral Resource of 3,417,000 tonnes grading 299.8 g/t Ag, totalling 32.931 million ounces of silver and an Inferred Mineral Resource of 1,285,300 tonnes grading 277.0 g/t Ag, totalling 11,477 million ounces of silver, using a lower cut-off grade of 150 g/t Ag (Table 5.2).

Table 5.2. Summary of the Current (2015 maiden and 2019 updated) Mineral Resources at the Dolly Varden Project.

Category[1]	Deposit	Cut-off Grade[2] (Ag g/t)	Tonnes	Average Ag Grade (g/t)	Contained oz[3] Ag	Reference
Indicated	Torbrit	150	2,623,000	296.8	25,025,000	(this report)
	Dolly Varden	150	156,000	414.2	2,078,000	(this report)
	Wolf	150	402,000	296.6	3,834,000	Higgs and Giroux, 2015
	North Star	150	236,000	262.8	1,994,000	Higgs and Giroux, 2015
	Total Indicated		3,417,000	299.8	32,931,000	
Inferred	Torbrit	150	1,185,000	278.0	10,588,000	(this report)
	Dolly Varden	150	86,000	271.5	754,000	(this report)
	Wolf	150	9,500	230.6	70,000	Higgs and Giroux, 2015
	North Star	150	4,800	223.6	35,000	Higgs and Giroux, 2015
	Total Inferred		1,285,300	277.0	11,447,000	

Notes:

(1) Indicated and Inferred Mineral Resources are not Mineral Reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. There has been insufficient exploration to define the inferred resource as an indicated or measured mineral resource, and it is uncertain if further exploration will result in upgrading the resource to a measured resource category. There is no guarantee that any part of the mineral resource discussed herein will be converted into a mineral reserve in the future.

(2) A 150 g/t Ag lower cut-off was chosen to reflect conceptual underground mining and processing cut-off grade.

(3) Contained oz may not add due to rounding.

Recommendation

Based upon the author's site visit, the currently identified Ag resources present at the Dolly Varden Project, and the results of the exploration work discussed in the Dolly Varden Project Report, it is the opinion of the author that the Dolly Varden Project is a "Property of Merit" warranting significant continued exploration work.

Additional in-fill and step-out drilling is recommended for the currently defined mineral resource areas at the Dolly Varden Project comprising the Dolly Varden, Torbrit, North Star and Wolf silver deposits. With respect to current mineral resource areas, new drilling should be completed in order to tighten drillhole spacing and increase confidence in the current geological models. Priority should thus be given to drillholes that test areas that currently have hole spacing greater than average. Priority should also be given to drillholes that test areas of the deposits that currently comprise mainly historical data points in order to a) validate the historical values and b) provide additional Pb and Zn data for their potential addition to future mineral resource updates. Additional Specific Gravity (SG) testing is recommended and consideration should be given to making SG determination a regular part of the Company's geotechnical core logging program.

With respect to potential expansion of the current mineral resource inventory at the Dolly Varden Project, continued drill testing of their respective stratigraphic strike extensions and depth projections is recommended. This includes the continued drill testing of the northwest extension of the Torbrit stratigraphic horizon, marked by increased K and Na depletion of volcanics, to identify additional basins that might contain additional volcanic-hosted mineralization. Cross-cutting structures should also be tested for their potential to host epithermal (structurally-hosted) mineralization. Continued drill testing for the Torbrit horizon is recommended within the altered Hazelton group stratigraphy which runs through the Wolf deposit to the Ace Galena and Chance prospects.

In addition to continued drilling at, and/or adjacent to, the current mineral resource areas on the Dolly Varden Project, drill testing of other historical and current prospects is also recommended.

Additional exploration work comprising geological mapping and prospecting is also recommended at these and other prospect areas throughout the Dolly Varden Project, including the large 'gossan' area toward the northern end of the Dolly Varden Project referred to as the "gold belt". This area is characterized by anomalous gold in soil and rock samples associated with a large area of QSP (quartz-sericite-pyrite) alteration, which extends to the north onto the Homestake Ridge Property of Fury. The alteration and mineralization in this area is quite extensive and is representative of higher temperature epithermal alteration that may be associated with a deep, as yet unidentified, porphyry system.

Additional metallurgical sampling and testing is recommended, particularly for the Dolly Varden and Torbrit deposits in order to provide the data necessary for a more thorough metallurgical characterization of the deposits. This will then allow for a formal evaluation of potential mineral processing options and their respective Ag (+/- Pb/Zn) recoveries, which in turn allow for more formal economic evaluations of these deposits.

EXHIBIT 2 TO APPENDIX C
INFORMATION CONCERNING THE HOMESTAKE RIDGE PROJECT

Source of Information and Data

The following is a summary of the Technical Report and Updated Mineral Resource Estimate for the Homestake Ridge Gold Project, Skeena Mining Division, British Columbia, dated effective January 20, 2022 (the "**Homestake Ridge Project Report**"). The Homestake Ridge Project Report was prepared by Minefill Services under the supervision of David M.R. Stone, P. Eng, Andrew Turner, P.Geol. and Rachelle Hough, P.Geo, all "Qualified Persons" as defined in NI 43-101. The tables and figures have been extracted from the Homestake Ridge Project Report and capitalized terms used in the summary below but not defined herein have the meanings given to those terms in the Homestake Ridge Project Report. The information below was prepared based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Homestake Ridge Project Report, which is available in its entirety on SEDAR at www.sedar.com and readers should review it in its entirety for a full description of the Homestake Ridge Project.

Property Description and Location

The Homestake Ridge Project covers 7,484.37 hectares and is located 32 km southeast of Stewart, BC, and approximately 32 km north-northwest of the tidewater communities of Alice Arm and Kitsault, BC. The property is located on 1:50,000 scale NTS map 102/P13.

The four claim blocks comprising the Homestake Ridge Project are located within a rectangular area extending for a distance of approximately 23 km in a north-south direction and approximately 13 km in an east- west direction. The claim block hosting the known Mineral Resources is centered on approximately 55° 45' 12.6" N latitude and 129° 34' 39.8" W longitude on Terrain Resource Integrated Management (TRIM) maps 103P072 and 103P073 and lies within Zone 9 of the UTM projection using the NAD'83 datum.

Site Access

Access to the Homestake Ridge Project from the town of Kitsault is by boat/barge to the community of Alice Arm. From there, an upgraded tractor trail follows an old railway bed for a distance of 32 km into the area of the past producing Dolly Varden silver mine, approximately four kilometres from the southern boundary of the Homestake Ridge Project. From there, overgrown mule trails lead to the historic workings of the Vanguard and Homestake areas of the Homestake Ridge Project.

In the absence of upgraded road access, the site is only accessible by helicopter. Helicopters are available for charter from either Prince Rupert, Terrace, or Stewart.

Project Ownership

On December 6, 2021, Dolly Varden announced that it had entered into a definitive agreement with Fury Gold Mines Ltd. (formerly Auryn Resources) whereby it would acquire a 100 percent interest in the Homestake Ridge Property from Fury through the acquisition of Fury's wholly owned subsidiary, Homestake Resource Corporation. The total consideration to be paid is valued at $50 million and consists of a $5 million cash payment and the issuance of 76,504,590 Common Shares of Dolly Varden. Upon completion of the transaction, Dolly Varden will own Homestake and the Homestake Ridge Project and Fury will own approximately 36.9% of Dolly Varden on an outstanding basis.

Mineral Tenure

The Homestake Ridge Project comprises four non-contiguous blocks consisting of seven crown granted claims covering 96.712 ha and 37 mineral claims covering 7,484.37 ha. The below tables list the mineral claims along with the relevant individual tenure information including tenure number and name, issue and expiry dates, title type, and area, as well as crown granted claims.

The crown grants include surface rights whereas the mineral claims do not.

There are no holding costs or work expenditure requirements for the crown grants other than roughly $300 per year in property taxes.

The mineral claims are subject to minimum work requirements of:

- $5 per hectare for anniversary years 1 and 2;
- $10 per hectare for anniversary years 3 and 4;
- $15 per hectare for anniversary years 5 and 6; and
- $20 per hectare for subsequent anniversary years.

Expenditures applied to the mineral claims of the Homestake Ridge Project keep them in good standing to 2029.

Homestake Mineral Claims

Title Number	Claim Name	Owner Name	Client #	Issue Date	Good to Date	Area (ha)	Protected	Tenure Sub Type Description	Title Type Description	Title Type Code	Tenure Type Code
950714	BRAVO N1	HOMESTAKE RESOURCE CORPORATION	202433	February 19, 2012	June 13, 2029	327.49	N	CLAIM	Mineral Cell Title Submission	MCX	M
950719	BRAVO N2	HOMESTAKE RESOURCE CORPORATION	202433	February 19, 2012	June 13, 2029	436.51	N	CLAIM	Mineral Cell Title Submission	MCX	M
950722	BRAVO N3	HOMESTAKE RESOURCE CORPORATION	202433	February 19, 2012	June 13, 2029	436.50	N	CLAIM	Mineral Cell Title Submission	MCX	M
950724	BRAVO N4	HOMESTAKE RESOURCE CORPORATION	202433	February 19, 2012	June 13, 2029	272.81	N	CLAIM	Mineral Cell Title Submission	MCX	M
950725	BRAVO N5	HOMESTAKE RESOURCE CORPORATION	202433	February 19, 2012	June 13, 2029	381.82	N	CLAIM	Mineral Cell Title Submission	MCX	M
950726	BRAVO N6	HOMESTAKE RESOURCE CORPORATION	202433	February 19, 2012	June 13, 2029	418.04	N	CLAIM	Mineral Cell Title Submission	MCX	M
950727	BRAVO N7	HOMESTAKE RESOURCE CORPORATION	202433	February 19, 2012	June 13, 2029	417.96	N	CLAIM	Mineral Cell Title Submission	MCX	M
1011645	KN HSR 1	HOMESTAKE RESOURCE CORPORATION	202433	August 1, 2012	March 9, 2023	273.86	N	CLAIM	Mineral Cell Title Submission	MCX	M
1061421	NR	HOMESTAKE RESOURCE CORPORATION	202433	August 25, 2006	August 30, 2029	18.20	N	CLAIM	Mineral Cell Title Submission	MCX	M
251427	CAMBRIA 1	HOMESTAKE RESOURCE CORPORATION	202433	May 6, 1986	December 17, 2029	100.00	N	CLAIM	Four Post Claim	MC4	M
251428	CAMBRIA 2	HOMESTAKE RESOURCE CORPORATION	202433	May 6, 1986	December 17, 2029	75.00	N	CLAIM	Four Post Claim	MC4	M
377241	WK 1	HOMESTAKE RESOURCE CORPORATION	202433	May 23, 2000	December 17, 2029	250.00	N	CLAIM	Four Post Claim	MC4	M
377242	WK 2	HOMESTAKE RESOURCE CORPORATION	202433	May 23, 2000	December 17, 2029	500.00	N	CLAIM	Four Post Claim	MC4	M
377243	WK 3	HOMESTAKE RESOURCE CORPORATION	202433	May 23, 2000	December 17, 2029	400.00	N	CLAIM	Four Post Claim	MC4	M
380949	WK 4	HOMESTAKE RESOURCE CORPORATION	202433	September 20, 2000	December 17, 2029	450.00	N	CLAIM	Four Post Claim	MC4	M
380950	WK 5	HOMESTAKE RESOURCE CORPORATION	202433	September 20, 2000	December 17, 2029	450.00	N	CLAIM	Four Post Claim	MC4	M
380951	KW 1	HOMESTAKE RESOURCE CORPORATION	202433	September 20, 2000	December 17, 2029	25.00	N	CLAIM	Two Post Claim	MC2	M
380952	KW 2	HOMESTAKE RESOURCE CORPORATION	202433	September 20, 2000	December 17, 2029	25.00	N	CLAIM	Two Post Claim	MC2	M
380953	KW 3	HOMESTAKE RESOURCE CORPORATION	202433	September 20, 2000	December 17, 2029	25.00	N	CLAIM	Two Post Claim	MC2	M
383016	KW 5	HOMESTAKE RESOURCE CORPORATION	202433	November 28, 2000	December 17, 2029	25.00	N	CLAIM	Two Post Claim	MC2	M
383017	KW4	HOMESTAKE RESOURCE CORPORATION	202433	November 28, 2000	December 17, 2029	25.00	N	CLAIM	Two Post Claim	MC2	M
383037	WK 6	HOMESTAKE RESOURCE CORPORATION	202433	November 28, 2000	December 17, 2029	150.00	N	CLAIM	Four Post Claim	MC4	M
383038	WK 7	HOMESTAKE RESOURCE CORPORATION	202433	November 28, 2000	December 17, 2029	400.00	N	CLAIM	Four Post Claim	MC4	M
537435	HR	HOMESTAKE RESOURCE CORPORATION	202433	July 20, 2006	December 17, 2029	127.45	N	CLAIM	Mineral Cell Title Submission	MCX	M
537436	HRMARGIN 1	HOMESTAKE RESOURCE CORPORATION	202433	July 20, 2006	December 17, 2029	109.25	N	CLAIM	Mineral Cell Title Submission	MCX	M
537437	HRMARGIN2	HOMESTAKE RESOURCE CORPORATION	202433	July 20, 2006	December 17, 2029	54.60	N	CLAIM	Mineral Cell Title Submission	MCX	M
538791	HOMESTAKE RIDGE 1	HOMESTAKE RESOURCE CORPORATION	202433	August 5, 2006	December 17, 2029	18.21	N	CLAIM	Mineral Cell Title Submission	MCX	M
540533	HOMESTAKE RIDGE 2	HOMESTAKE RESOURCE CORPORATION	202433	September 6, 2006	December 17, 2029	18.20	N	CLAIM	Mineral Cell Title Submission	MCX	M
540540	HOMESTAKE RIDGE 3	HOMESTAKE RESOURCE CORPORATION	202433	September 6, 2006	December 17, 2029	18.21	N	CLAIM	Mineral Cell Title Submission	MCX	M
545945	HOMESTAKE RIDGE 4	HOMESTAKE RESOURCE CORPORATION	202433	November 27, 2006	December 17, 2029	18.20	N	CLAIM	Mineral Cell Title Submission	MCX	M
565708	HOMESTAKE RIDGE 5	HOMESTAKE RESOURCE CORPORATION	202433	September 7, 2007	December 17, 2029	36.42	N	CLAIM	Mineral Cell Title Submission	MCX	M
565709	HOMESTAKE RIDGE 6	HOMESTAKE RESOURCE CORPORATION	202433	September 7, 2007	December 17, 2029	18.21	N	CLAIM	Mineral Cell Title Submission	MCX	M
565710	HOME STAKE 7	HOMESTAKE RESOURCE CORPORATION	202433	September 7, 2007	December 17, 2029	18.20	N	CLAIM	Mineral Cell Title Submission	MCX	M
598667	VANGUARD GOLD	HOMESTAKE RESOURCE CORPORATION	202433	February 3, 2009	December 17, 2029	18.21	N	CLAIM	Mineral Cell Title Submission	MCX	M
598668	VANGUARD EXTENSION	HOMESTAKE RESOURCE CORPORATION	202433	February 3, 2009	December 17, 2029	54.66	N	CLAIM	Mineral Cell Title Submission	MCX	M
1015450	KINSKUCH NW2	HOMESTAKE RESOURCE CORPORATION	202433	December 22, 2012	December 17, 2029	1039.18	N	CLAIM	Mineral Cell Title Submission	MCX	M
1015588	HS SOUTH 1	HOMESTAKE RESOURCE CORPORATION	202433	December 31, 2012	December 17, 2029	36.44	N	CLAIM	Mineral Cell Title Submission	MCX	M
		Number of Claims:	**37**		**Total Area (ha):**	**7468.64**					

Source: Fury, 2019

Crown Grants

District	Claim Name	CTGVRNNGP	PRCLTP	SRVRGNRLPL	STTFPRCLSR	Area	CRWN	Mining	Lot Status
3975	HOMESTAKE	Mineral Tenure	Primary	37TR7 CASSIAR	Active	20.902	4004/5	SKEENA	CROWN
3978	HOMESTAKE NO. 3	Mineral Tenure	Primary	37TR7 CASSIAR	Active	13.962	4007/3	SKEENA	CROWN
3977	HOMESTAKE NO. 2	Mineral Tenure	Primary	37TR7 CASSIAR	Active	15.042	4006/5	SKEENA	CROWN
3976	HOMESTAKE NO. 1	Mineral Tenure	Primary	37TR7 CASSIAR	Active	20.283	4005/5	SKEENA	CROWN
3980	HOMESTAKE NO. 1	Mineral Tenure	Primary	37TR7 CASSIAR	Active	4.702	5622/5	SKEENA	CROWN
3979	HOMESTAKE	Mineral Tenure	Primary	37TR7 CASSIAR	Active	0.919	5621/5	SKEENA	CROWN
6322	MILLSITE	Land Act	Primary	1TR8 CASSIAR	Active	20.902	8826/8	SKEENA	CROWN
		Total Crown	**7**		**Total Area**	**96.712**			

Source: Fury, 2019

Royalties and Encumbrances

Homestake earned a 100 percent interest in 14 Homestake Ridge mineral claims through its option with Teck Cominco Limited, now Teck Resources (Teck). Teck failed to exercise its back-in rights in 2008 but retained a 2 percent net smelter return (NSR) royalty, 1 percent of which could be purchased at a future date for $1.0 million. On May 16, 2016 Homestake announced that it had closed an agreement with Teck to purchase the 2 percent royalty and ancillary rights for $100,000, effectively extinguishing this royalty. The Coombes Claims (including Cambria 1, Cambria 2, KW1, KW2, KW3, KW4, KW5, WK1, WK3, WK4, WK6 and WK7) were subject to a 2 percent NSR royalty by virtue of an option agreement dated July 5, 2000. The royalty included a purchase right in favour of Homestake for $1,000,000, In September 2021 Fury purchased the 2 percent NSR on the Coombs mineral claims for $400,000 payable 25% in cash and 75% in common shares, effectively extinguishing the royalty. The Crown grants (including DL 3975, DL 3976, DL 3977, DL 3978, DL 3979, DL 3980, and DL 6322) are subject to a 2 percent NSR royalty which includes an annual advanced minimum royalty of $50,000 in favour of Alice Sullivan and Mildred Keller.

Permitting Considerations

The Homestake Ridge Project has an active Mineral and Coal Activities and Reclamation Permit (Permit No. MX-1-603) that includes the following approved work:

- Camp with 1.0 ha of disturbance
- Geophysical surveys of 50 line km
- Surface drilling at 500 drill sites
- 6 helipads and
- 2 km of exploration trails.

The above permit is secured with a $68,000 reclamation bond and all work must be complete by March 23, 2023 or an amendment for extension submitted.

The Company has also been granted a Free Use Permit (No. MX-1-603:2018-2023) for the harvesting of Crown timber on the Crown granted lands.

Environmental Considerations

The Homestake Ridge Project is a greenfield site with no known pre-existing development or environmental liabilities.

Social License Considerations

Dolly Varden does not have any Community or Social Agreements in place.

Risks

The authors of the Homestake Ridge Project Report are not aware of any significant factors or risks that may affect access to the project site, or the right and ability to perform work on the property.

History

Prior History

Claims were first staked at the Homestake group between 1914 and 1917 and, in 1918, the claims were bonded to the Mineral Claims Development Company (MCDC). MCDC was reorganized into the Homestake Mining and Development Company (Homestake Development) in 1921.

Exploration History

The Homestake Ridge Project comprises two areas of historic exploration. The Homestake and the Vanguard groups have been tested by past explorers starting in the early 1900s after the discoveries at Anyox and in the Stewart region. Claims were first staked at the Homestake group between 1914 and 1917 and, in 1918, the claims were bonded to the MCDC. MCDC was reorganized into Homestake Development in 1921. Limited surface and underground work was done on the property. In 1925, the claims were given “Crown Grant” status. In 1926,

Homestake Development and three other groups bonded to the interests of C. Spencer. The option was abandoned, with no further work being done on the property (Knight and Macdonald, 2010). Arm staked the area and conducted surface trenching, limited underground work and drilled seven holes to an aggregate depth of 58.2 m, on the Lucky Strike and Cascade claims which comprise part of the Homestake group (Knight and Macdonald, 2010).

In 1966, Canex Aerial Exploration Ltd. (Canex) undertook a program of prospecting, geochemical sampling, electromagnetic (EM) surveying, and chip sampling in the Vanguard area. In 1967, Amax Exploration conducted and extended examination of the Vanguard group but did not return (Folk and Makepeace, 2007).

In 1979, Newmont Exploration of Canada Ltd. (Newmont) optioned part the property, known as the Wilberforce group, from Collison’s widow, Ruby Collison. The Wilberforce group excluded the original Homestake and Vanguard claims. Newmont explored for near surface, massive sulphides conducting magnetometer and Max-Min geophysical surveys, geological mapping, and trenching. A total of 595 soil samples and 82 rock samples were assayed. Newmont terminated the option in late 1980 (Folk and Makepeace, 2007).

Caulfield Resources Ltd. explored over the Vanguard group in 1981 taking 102 soil samples and conducting 5.25 line km of ground magnetic surveys, but no subsequent work was done (Folk and Makepeace, 2007).

Homeridge Resources Ltd. optioned the property from Ruby Collison in 1984, but no work was done (Bryson, 2007). The claims were allowed to lapse in 1986, were re-staked and optioned to Cambria Resources Ltd. (Cambria), which completed geological mapping, lithogeochemical sampling, trenching, and 4.3 line km of IP and resistivity surveying. Weather deferred drilling for that year and the ground was eventually optioned to Noranda Exploration Company Limited (Noranda) (Folk and Makepeace, 2007).

Between 1989 and 1991, Noranda consolidated ground by optioning more area including the Cambria (formerly Collison), Homestake, and Vanguard claims. A 44.3 km grid was cut along which magnetometer and IP surveys were performed in addition to geological mapping. A total of 1,930 rock samples and 1,943 silt and soil samples were taken. Twelve diamond drill holes were cored (diameter unknown) for an aggregate depth of 1,450.05 m (Folk and Makepeace, 2007).

Teck acquired the current Homestake Ridge Project in 2000 via option agreements and staking. From 2000 to 2002, Teck conducted geochemical and geological surveys, trenching, and diamond drilling, exploring for volcanogenic massive sulphide (VMS) deposits. A total of 21 NQ (47.6 mm dia.) holes were drilled to an aggregate depth of 4,374.6 m yielding 618 core samples. In addition, 778 rock samples were analyzed by Inductively Coupled Plasma (ICP) multi-element geochemistry plus Au and another 31 samples were subjected to “whole rock” X-Ray Fluorescence (XRF) analysis (Folk and Makepeace, 2007).

From 2010 to 2012, Homestake completed additional surface exploration including further mapping, soil and rock sampling and 13.54 line km of IP geophysical surveys, and diamond drilling.

In 2011 a new discovery was made 800 m to the southwest of, and parallel to, the previously discovered Main Homestake and Homestake Silver deposits. This area, known as the South Reef target was tested by three holes with all three intersecting +30 g/t gold mineralization.

During 2012, Homestake completed two phases of drilling focussed on the delineation and extension of the South Reef target. The second phase of drilling was funded by Agnico Eagle Mines Limited (Agnico Eagle) as part of an option agreement (see below). The 2012 drilling was successful in identifying an approximate 250 m strike by 250 m down dip before ending in, or being offset by, a major fault structure. Mineralization is open along strike to the northwest. Other targets on the property remain to be explored.

Agnico Eagle optioned the property from Homestake in 2012. In 2013, Agnico Eagle completed an exploration program consisting of geological mapping, soil sampling (785 samples), approximately 21 line km of ground geophysical surveying including IP/resistivity and magnetics and a 10-hole drilling program totalling 3,947.24 m. The drilling was meant to test various exploration targets outside of the Homestake Main and Homestake Silver deposits (Swanton et al., 2013). In 2014, Agnico Eagle completed a limited amount of prospecting, reconnaissance geological mapping and rock sampling (57 samples) as well as a 6-hole drilling program totalling 2,578 m designed to test the Slide Zone. The drilling suggested that the Slide Zone is concordant with the Homestake Main and Homestake Silver Zones and trends north northwesterly and dips steeply to the northeast.

There has been no historic production at the Homestake Ridge Project.

Regional Geology

The Homestake Ridge Project is located within a lobe of Upper Triassic to Middle Jurassic strata exposed along the western edge of the Bowser Basin within the Stikinia Terrane of the Intermontane Belt. Stikinia formed in the Pacific Ocean during Carboniferous to Early Jurassic (320 Ma to 190 Ma) and collided with North America during the Middle Jurassic (Folk and Makepeace, 2007).

The Homestake Ridge Project occurs within the metallogenic region known as the Stewart Complex (Grove 1986, Aldrick, 1993). Described as the contact of the eastern Coast Plutonic Complex with the west- central margin of the successor Bowser Basin, the Stewart Complex ranges from Middle Triassic to Quaternary in age and is comprised of sedimentary, volcanic, and metamorphic rocks (Grove, 1986). The Stewart Complex is one of the largest volcanic arc terranes in the Canadian Cordilleran. It forms a northwest-trending belt extending from the Iskut River in the north and Alice Arm in the south. The Coast Plutonic Complex forms the western boundary of the prospective stratigraphy; continental derived sediments of the Bowser Lake Group form the eastern border. The Stewart Complex is host to more than 200 mineral occurrences including the historic gold mines Eskay Creek, Silbak-Premier and SNIP, as well as the Granduc, Anyox, and Dolly Varden- Torbrit base-metal and silver mines. The dominant mineral occurrences are precious metal vein type, with related skarn, porphyry, and massive sulphide occurrences (Knight and Macdonald, 2010).

Stikinia, which contains both the Stewart Complex and the Homestake Ridge Project, is comprised of at least four Paleozoic to Cenozoic tectonostratigraphic packages (Kasper and Metcalfe, 2004) including: Paleozoic Stikine Assemblage consisting of quartz-rich rocks, carbonate slope deposits, and minor mafic to felsic volcanic rocks; Early Mesozoic volcanic and inter-arc and back-arc basin sedimentary rocks; Middle to Upper Jurassic Bowser Basin turbiditic sedimentary rocks; and Tertiary post-kinematic granitoid intrusions of the Coast Plutonic Complex.

Local Geology

The Stuhini Group rocks are found in the cores of anticlines and represent the oldest known rocks in the area. These rocks are composed of a thick sequence of volcanic and sedimentary rocks of Upper Triassic (Norian) age, interpreted as the products of a volcanic arc. The volcanic Stuhini Group rocks are generally pyroxene-bearing, a contrast to the well-defined early crystallized hornblende phenocrysts commonly found in the Lower Jurassic Hazelton Group volcanic rocks. Kasper and Metcalfe noted that the re-evaluation of bedrock mapping in the Homestake Ridge area in 2002 resulted in the assignation of some lithologies on the property to the Stuhini Group.

The Hazelton Group overlies the Stuhini Group. The Lower Jurassic Hazelton Group is represented by a lower unit comprising massive, hornblende+feldspar-phyric andesitic to latitic ignimbrites, flows, and associated volcanic sedimentary rocks. Overlying these intermediate volcanic rocks is the Lower-Middle Jurassic Eskay Creek stratigraphy composed of marine felsic volcanic rocks and associated epiclastic sedimentary rocks and fossiliferous clastic sedimentary rocks. Kasper and Metcalfe noted that rocks of similar lithology and stratigraphic relationship have been identified in the Homestake Ridge area.

The dominant local intrusive rocks are of Cretaceous to Eocene age associated with the Coast Plutonic Complex. However, intrusive rocks identified in the Homestake Ridge area are hornblende+feldspar phyric and resemble Early Jurassic Texas Creek Suite rocks, which are related to important mineralization elsewhere in the Stewart Complex.

Important local deposits include the Dolly Varden-Torbrit Silver camp located ten kilometres south of the Homestake Ridge Project, which produced 19.9 million oz Ag and 11 million lb Pb, and various properties in the Stewart area such as Red Mountain, Granduc, Silbak- Premier, and Brucejack Lake. Some of the mineralization at the Homestake Ridge Project is thought to be similar in age and genesis to the VMS deposit at Eskay Creek, located about 115 km to the north- northwest.

Property Geology

The Property covers the transition between the sedimentary and volcanic rocks of the Upper Triassic to Lower Jurassic Stuhini Group, a complex sequence of Lower to Middle Jurassic sedimentary, volcanic, and intrusive rocks of the Hazelton Group and sedimentary rocks of the Upper to Middle Jurassic Bowser Lake Group. The Hazelton Group rocks on the Homestake property mark a transition from a high-energy volcanic dominated lower stratigraphy through a hiatus and into a fining sequence of volcanic tuffs and sediments punctuated by bi-modal mafic and felsic volcanism and finally into fine clastic sedimentation of the Salmon River Formation (Upper Hazelton Stratigraphy) and the Bowser Lake Group (Evans and Lehtinen, 2001). This sequence hosts many sulphide occurrences and extensive areas of alteration on the property which are associated with the Lower to Middle Jurassic stratigraphy.

Interpretation of the geophysical data paired with field mapping define the boundaries and internal stratigraphy of 4 northwest-trending domains numbered from SW to NE.

Domain 1 comprises Triassic sedimentary and volcaniclastic Stuhini Group rocks, underlie the southwest portion of the property. Intruded and silicified by sills and dikes of rhyolite/porphyritic monzonite. Possess a low relative magnetic signature. A second unit of relatively low magnetic signature which occupies the footwall of the Vanguard fault and a second fault panel in Domain 1 are pervasively altered Early Jurassic andesitic volcanic and volcaniclastic Hazelton Group rocks (V2UN) these are intruded along strike by similar sills and plugs of hornblende monzonite.

Early Jurassic Hazelton Group Betty Creek andesite, dacite and Brucejack Lake member (192 Ma) rhyolite/monzonite, comprise Domain 2. The western margin of Domain 2 is overthrust by the Triassic/Jurassic package of Domain 1 and is unconformably overlain by Middle Jurassic Salmon River sediments northwest of the Vanquard showing.

Early to earliest Mid-Jurassic Hazelton Group volcanic and volcaniclastic rocks of Betty Creek and Salmon River Bruce Glacier member (~174 Ma) comprise the central Domain 3, a northwest- trending package of varied- and strong magnetic signatures which locally depict south trending fabrics related to south-plunging folds and faults and younger southeasterly trending thrusting. The Lower Hazelton rocks comprise fine-grained to feldspar-hornblende phyric volcanic and volcaniclastic rocks of andesite to latite/trachyte composition and may include some phases of hypabyssal monzonite.

Porphyritic monzonite dykes and hypabyssal domes intrude the Stuhini sediments and are believed to be coeval with the Lower Hazelton volcanic rocks. Greig et al. (1994) has related the Lower Hazelton Group feldspar-hornblende porphyry volcanic package to the Goldslide Intrusions at Red Mountain.

Thin, locally discontinuous units of matrix supported, feldspar-phyric volcanic breccias and heterolithic debris flow with tuffaceous and mudstone to sandstone interbeds cap the lower volcanic stratigraphy and are in turn unconformably overlain by maroon to green andesitic and dacitic volcaniclastic rocks and tuffs which form much of the central part of the Homestake Ridge Project. These polylithic andesitic and dacitic pyroclastic to epiclastic rocks contain discrete mafic flows, tuffaceous beds, and debris flows. This andesitic volcanic package has been equated to the Betty Creek Formation (Evans and Macdonald, 2003).

The southwestern bounding structure to domain 3 is a southwest-verging thrust fault that occupies the north side of the Homestake glacier with hornblende monzonite (I2F) either in the immediate hanging wall or footwall of the fault.

Middle Jurassic Salmon River/Quock Formation and overlying Bowser Lake Group sedimentary rocks comprise Domain 4, covering the northeastern portion of the Property. Pyritic horizons within the Salmon River Formation define strong chargeability anomalies which parallel stratigraphy. These fine grained carbonaceous and sulphidic horizons are economic targets and are prone to localize slip and shear zones. North-northwest and northeast-trending dikes crosscut the Bowser Lake sediments.

The Salmon River sediments form a band of rock which unconformably overlie the volcanic flows and conglomerates of the underlying stratigraphy from the toe of the Kitsault Glacier southeast along the margins of Homestake Creek on the eastern side of the property. A tongue of these sediments infills a basin which formed to the southeast of the Homestake Silver Deposit. The fining-up nature of this unit reflects the general fining up nature of the Salmon River Formation as it progresses into the Bowser basin, and reflects the development of a large-scale basin at the end of Hazelton volcanism (Evans and Lehtinen, 2001).

In the northern part of the property at the headwaters of Homestake Creek, rhyolitic volcanic rocks occur at the base of the Salmon River sediments. Greig et al. (1994) mapped this unit and suggested a correlation with the Mount Dilworth Formation of the Eskay Creek area. The rhyolites are light to dark grey, massive and vary from aphanitic to fine grained feldspar porphyritic banded flows to tuffs and breccias. Pyrite is ubiquitous throughout, occurring either as fine dissemination or infilling fractures and joints. A series of Mafic Dykes with chilled margins and an elevated Niobium signature were encountered intruding the Hazelton Group Rocks in the Homestake Silver Zone. Similar dykes have been mapped at surface intruding the Lower Hazelton Stratigraphy. These dykes are of unknown age.

The eastern part of the property is dominated by grey, interbedded siltstones and sandstones thought to be part of the Middle to Upper Jurassic Bowser Basin Group which conformably overlie the thin bedded graphitic argillites of the Salmon River formation.

Structure on the property largely reflects NE-SW compression that has continued from the Jurassic to present day (Folk and Makepeace, 2007), recent drilling and mapping suggest that the local stratigraphy has undergone several deformation events including uplift and local extension of the Stuhini and lower Hazelton stratigraphy resulting in a marked unconformity between the lower and upper Hazelton rocks.

In general, the structural development is reflected by the magnetic signature of strata in Domain 3 (andesites, +/- pyroxene basalts, rhyolite, dacite). The NW-SE fabric (lithology/folds) results from primarily north-trending folding and thrusting. This fabric is crosscut by North and North-east striking faults and dykes.

These compressional tectonics have resulted in an antiformal (or horsted) block of Triassic and lower Jurassic stratigraphy in the western side of the property and a synformal (graben like) block of middle to upper Jurassic rocks on the eastern side of the property. In the southeastern part of the property, these two regimes are separated by a northwest-striking, westerly dipping structure known as the Vanguard fault. The Vanguard fault is a northwest-trending, ~60o southwest dipping northeast verging structure characterized by up to 50 m of variably sheared QSP altered rock.

Uplift and local extension of the lower stratigraphy may have occurred during the same Early Jurassic compressional event. The earliest period of movement along the Vanguard fault may have occurred at this time.

Northwest-southeast oriented normal faults occur along the northeastern slopes of Homestake Ridge and locally represent the southwestern wall of the "Hazelton Basin". These faults would have been active from the Early to Middle Jurassic as pyroclastic and volcanic flows of the PC unit infilled the basin. Mineralizing fluids which lead to the deposition of the gold and silver deposits at the Homestake Ridge Project are thought to have been channelled along these faults. Northeast-southwest faults offset the Hazelton Group volcanic and older sedimentary rocks throughout the property. Younger Tertiary extensional faults may have been superimposed on these faults.

Large northeast trending ankerite bearing faults have been mapped and related to Tertiary east- west extension (Evans and Lehtinen, 2001).

Mineralization

The main zones of the Homestake Ridge deposit are the Homestake Main (HM), Homestake Silver (HS), and Silver Reef (SR). The HM is the more copper-rich of the zones, with both gold-rich and silver-rich variants and an apparent trend of increasing copper grade with depth. The Homestake Silver zone is primarily silver with elevated lead values, and South Reef is essentially high-grade gold, with minor copper and lead.

The Homestake deposits are commonly vertically zoned from a base metal poor Au-Ag-rich top to an Ag-rich base metal zone over a vertical range of 250 m to 350 m. The silver-galena-sphalerite veins of the Homestake Silver Zone exhibit many of these features.

The Homestake Main deposit consists of a series of silica to silica-carbonate-chlorite altered lenses and hydrothermal breccias, which have a northwest strike and dip moderately northeast at slightly steeper than the topographic dip-slope. Gold and silver mineralization occurs with pyrite, chalcopyrite, and lesser galena and sphalerite in stronger areas of silica alteration or hydrothermal brecciation within zones of sericite-pyrite altered feldspar-hornblende phyric volcanic rocks. Only along the southwestern flank of the Homestake Main deposit does lower grade gold mineralization penetrate up into the overlying package of basinal filling volcano-sedimentary and andesitic rocks which comprise the "hanging wall" sequence. Native gold along with pyrargyrite and acanthite have been observed hosted within quartz veins and quartz-carbonate hydrothermal breccias in drill core. Grades for gold typically range from 0.1 g/t Au to 2 g/t Au with some intercepts measuring into the hundreds of grams per tonne and averaged at 7.75 g/t Au. Silver grades are generally in the 1.0 g/t Ag to 100 g/t Ag range but can be as high as hundreds and even thousands of grams per tonne. The average silver grade in the HM is 68.6 g/t Ag. Copper grades vary from parts per million to several percent, with mean grades observed to increase significantly with depth.

Located 300 m to the southeast of the Homestake Main zone, the Homestake Silver deposit is comprised of a series of northwest trending, vertically to sub-vertically dipping hydrothermal breccias. Mineralization occurs as galena, sphalerite and silver in contrast to the gold enriched chalcopyrite seen the Homestake Main deposit. Modelling indicates that the Homestake Silver deposit can be traced over 700 m strike and 550 m down dip. Silver grades at Homestake Silver average 154 g/t Ag, approximately double that of the HM (68.6 g/t Ag) and 26 times that of SR (5.8 g/t Ag). Gold grades at Homestake Silver typically range up to several g/t Au and averaged 3.5 g/t Au in the samples contained within the interpreted zone boundaries. Copper content is comparatively low, however, geochemically significant, and generally measures between 10 ppm Cu and 500 ppm Cu. There are elevated levels of lead and zinc, typically measuring in the 10 ppm to 1,000 ppm range, with some intercepts assaying as high as several percent lead and/or zinc. The lead and zinc grades at Homestake Silver are not expected to be consistently high to contribute significantly to the Homestake Ridge Project economics, although lead grades were estimated in the block model to facilitate metallurgical classification.

The South Reef deposit is located approximately 800 m to the south-southwest of the Homestake Silver deposit. Gold mineralization is variably associated with strong quartz-chlorite alteration, pyrite and minor base metal sulphides interspersed with intervals of sericite and pyrite alteration in two en-echelon, northwest-trending sub-vertical mineral zones that can be traced with drilling for over 250 m strike-length and 250 m dip. Several base-metal enriched intercepts are identified up-section from the gold-enriched zone but have yet to be fully defined by drilling. Silver grades at South Reef average 5.8 g/t Ag in the vein samples. This is offset by high gold values, which average 5.9 g/t Au.

All three zones have elevated arsenic and antimony contents, typically averaging in the tens to low hundreds of parts per million.

Furthermore, located approximately 2.5 km southeast of the Homestake Zone, the Vanguard is an 1,800 m long, 150 m wide structural zone hosted in various pyroclastic and volcanic rocks. Most showings are located within a northwest striking, sub-vertically dipping zone containing diffuse sulphide veins, stockworks, sulphide breccia zones, and calcite-barite veins related to pervasive chlorite alteration. Gold-enriched mineralization occurs in the northern part of this belt and adjacent to and up- section from the South Reef gold zone. To the south, the mineralization is characterized by high grade copper with gold and silver (Folk and Makepeace, 2007).

Located in a large area southwest of the Homestake Zone, the Sericite Zone comprises over 50 mineral occurrences hosted within pervasively sericite-pyrite altered FHP intrusives and volcanic rocks. Gold is found in quartz-calcite-barite veins up to six metres wide with pyrite+chalcopyrite+galena+sphalerite mineralization. Geochemical surveys show an anomalous north-south trend along the volcanic-FHP contact (Folk and Makepeace, 2007).

Historic zones named Cascade Falls, Lucky Strike, Silver Crown, and Camp Zone are collectively known as Dilly and Dilly West and occur southwest of the Homestake zones. The zones are hosted by silicified mudstones and siltstones overlying rhyolites. Mineralization consists of syngenetic sulphide bands anomalous in Au, Ag, As, Bi, Pb, Zn, Hg, and Sb. The zones are stratiform and display a linear trend with strike lengths of 1,500 m for the Dilly Zone and 600 m for the Dilly West Zone. The underlying rhyolite is cross-cut by veins with similar mineralization to the sulphide bands and these veins are interpreted to be “feeders”. Stratigraphically above the sediments is a thin, silicified and mineralized rhyolite pyroclastic. Silica decrease on the north end of the Dilly Zone, and base metals and barite occur within the sediments. Also present is semi-massive to massive arsenopyrite within sulphide stockwork and FHP sills (Folk and Makepeace, 2007).

The North Homestake Zone is described as a large sericite-pyrite-silica altered felsic dome approximately 3.2 km north of the Homestake Silver deposit and occupies a 125 ha area. The geology is massive feldspar-phyric, fine grained felsic volcanic rock of dacite to latite composition that occurs in the upper part of the volcano-sedimentary stratigraphy. Sheeted northeast trending pyritic fractures occur in the strongly silicified southern and western margins. These fractures are strongly anomalous in pathfinder elements such as As, Sb, and Hg.

The KNHSR1 target lies directly south of the Dolly Varden silver deposit. Historic sampling from the Silver King Min File occurrence has returned up to 34.28 g/t Au and 576 g/t Ag as well as 2.9 percent lead. Work by Fury at the KNHSR1 target confirmed the presence of significant base and precious metal mineralization with peak assays of 1.35 g/t Au, 62.1 g/t Ag, 1.66 percent Cu and 20.3 percent Zn from boulders and outcrop at the Silver King occurrence. The VTEM airborne geophysical survey highlighted a major NW-SE trending structure that coincided with the anomalous drainage basin identified in 2018. Follow up of the magnetics and stream sediment anomaly with soils and rock sampling identified a coherent gold + silver soil anomaly centered around the Silver King occurrence.

The Kombi target lies along a north – south oriented shear zone evidenced from field mapping of silicified shears as well as linear breaks in the magnetics picture. Stream sediment samples collected from the area returned up to 910 ppb Au as well as anomalous silver, lead and copper. Recent work by Fury at Kombi has resulted in soil sampling up to 1.050 g/t Au paired with rock samples from quartz carbonate veining returning 6.3 g/t Au and 1.37 g/t Ag. The 2019 interpretation of historic airborne geophysics in the area outlined a NW trending block of fault bounded volcanics associated with the highly anomalous geochemical results.

The Bria target includes the Banded Mountain Min File occurrence and represents a potential Eocene Porphyry target. Stream sediment sampling in the target area has returned anomalous silver, lead, zinc and copper. Rock samples from the area have returned up to 11.05 g/t Au and 448 g/t Ag all from quartz veins hosted within intrusive rocks. The 2019 VTEM survey over Bria highlighted a 3,000 x 500 m steeply dipping intrusive body within sedimentary rocks.

Deposit Types

The Homestake Ridge Project lies within the highly prolific Iskut-Stewart-Kitsault Belt that is host to several precious and base metal mineral deposits. Homestake Ridge has over 80 mineral occurrences on the Property related in the emplacement of intrusive stocks and felsic domes into the volcanic- sedimentary host rocks.

Diverse mineralization styles on the property include stratabound sulphide zones, stratabound silica-rich zones, sulphide veins, and disseminated or stockwork sulphides. Mineralization is related to Early Jurassic feldspar-hornblende-phyric sub-volcanic intrusions and felsic volcanism and commonly occurs with zones of pyrite-sericite alteration. A later, less significant, mineralizing event occurred in the Tertiary and is characterized by ankerite-calcitepyrite veins. Numerous models can be proposed for the area and local deposits present a broad range of characteristics.

Mineralization displays characteristics of both epithermal gold and VMS deposition. Stratabound and vein (or replacement) mineralization is present that contains values in Ag, As, Au, Cu, Hg, Pb, Sb and Zn (Folk and Makepeace, 2007). The property geology is considered to be favourable for the discovery of “Subaqueous Hot Spring Au-Ag” or “Low Sulphidation Epithermal Au-Ag” type deposits.

The “Subaqueous Hot Spring Au-Ag” deposits, of which Eskay Creek is an example, are formed by “hot spring” fluids venting into a shallow water environment. These deposits may contain large, textureless massive sulphide pods, finely laminated, stratiform sulphide layers and lenses, reworked clastic sulphide sedimentary beds, and epithermal style vuggy breccia veins with coarse sulphides and chalcedonic silica. As such, they share characteristics of both VMS and epithermal deposits.

“Low Sulphidation Epithermal Au-Ag” deposits, of which Silbak-Premier is an example, are typically emplaced within a restricted stratigraphic interval with one kilometre of the paleosurface. Mineralization near surface takes place in hot spring systems with deeper, underlying hydrothermal conduits. Typically, mineralized zones are localized in structures but may occur in permeable lithologies. Veins may exhibit open-space filling, symmetrical and other layering, crustification, comb structure, colloform banding, and multiple brecciations.

Deposits are commonly vertically zoned from a base metal poor Au-Ag-rich top to an Ag-rich base metal zone over a vertical range of 250 m to 350 m. The silver-galena-sphalerite veins of the Homestake Silver Zone exhibit many of these features.

Exploration

Since acquiring the Homestake Ridge Project in late 2016 Fury has completed extensive exploration across the property to advance additional targets to the drill ready stage. This work has included geological mapping, rock and soil geochemical sampling, portable X-Ray fluorescence and shortwave infrared surveys, geophysical (IP) surveying, the re-logging of historical drill core, geochronological studies and airborne VTEM geophysical surveys along with reprocessing of historic geophysical survey data.

Rock Sampling

A total of 274 rock samples (channel, chip and grab) were collected from the central Homestake claim block during the 2017 and 2019 programs. A large proportion of the 2017 rock samples collected were located along ridges with gossanous outcrop, targeting a potential northern extension of the Homestake Main deposit. Additional samples were collected around historic mineral occurrences near the Homestake Main and South Reef Zones. The majority of the 2019 rock samples were collected in a grid fashion at the Kombi target where recent recession of glaciers exposed large tracts of rock without soil developed or deposited on top.

Rock Sampling Methodology

Rock samples were generally selected based on favorable lithology and mineralization. Samples were collected using a hammer and placed in a poly ore bag with the sample number written on both sides in permanent marker. A sample tag marked with the unique sample number was placed inside each sample bag and sealed with a cable tie. The geological information and location were entered into an ArcGIS based application via Apple iPad devices.

All the rock sample bags are packaged in double bagged 20” x 40” polywoven rice bags (for added protection), labelled with the laboratory address, shipment number, bag number and shipper details. Prior to sealing the rice bags, a sample submittal form is be placed within the first bag of the sample shipment. The rice bags are sealed with security tags, which are scanned for the corresponding bag. Completed sample shipments were slung with the helicopter to the staging area where Rugged Edge Holdings Ltd. (expeditor) picked up, transported the samples to their warehouse in Smithers, BC and then arranged for ground transportation via Bandstra Transportation Systems Ltd. to the ALS Global Laboratory in Vancouver, BC.

Rock Sampling Results

Highly anomalous results in gold, silver and base metals were returned from all areas of the property. Notably from Kombi, a sample of quartz veined rhyolite with trace pyrite returned 0.22 g/t Au with 4.11 g/t Ag. From the Bria target area a sample collected from a quartz carbonate vein returned 6.3 g/t Au with 1.37 g/t Ag. Sampling at the KNHSR target returned up to 1.35 g/t Au, 62.1 g/t Ag, 1.66% Cu and 20.3% Zn from a sulphide bearing quartz carbonate vein.

Soil Sampling

During 2017 and 2019 exploration programs a total of 1,032 Ah horizon and 2,997 B-C-Talus soil samples were collected from the Homestake Ridge Project. Soil sampling was completed in order to expand upon historic soil coverage as well as to ensure a consistent medium was sampled for levelling purposes. Homestake mineralization trends to the southeast and projects to an area covered by younger Salmon River sediments. It is postulated that the block of sediments are preserved due to a down-drop block within a graben. The sediments are estimated to be 50 to 100 m thick and it is anticipated that the same structures that control HS Silver mineralization form the boundaries of the graben. To detect mineralization below the Salmon River sediments, an ultra trace geochemical analysis method was used on samples collected from the Ah organic soil horizon.

2017 Ah Horizon Soil Sampling Methodology

Once the sample location is identified, a sample envelope is labeled with the sample number corresponding to a tag in the sample book, the sample tag bar code is scanned with the Fulcrum to record the sample ID and then the tag is placed in the bag. Clean sampling tools (spade and shovel) were used to dig a 30 cm wide hole, deep enough to expose the soil profile to make it easier to identify the Ah horizon. If there is a thin layer of Ah, it may be required to sample from multiple holes at the same station.

A cut is made at the top and bottom of the horizon for removal and all coarse material and vegetation are removed from the sample. Sample material, weighing at least 200 grams, is poured into the labeled envelope ensuring the envelope is completely full, as the Ah layer is roughly 70% water and will shrink dramatically when it is dried. The sample bag is then sealed with flagging tape. Photographs are taken of the sample, soil horizon, sampling station and the surrounding area and all data entered into Fulcrum. Before moving to the next sample location, the sampling equipment is cleaned by scraping off any remaining dirt from the shovels by using a hard surface or the surrounding vegetation to mitigate cross contamination between sampling stations. When the

Fulcrum indicates a sample to be taken in duplicate (every 20th sample), another sample with the same characteristics of the original sample is collected at the same point.

2017 Talus Fines Sampling Methodology

A starting point is identified and from there a 10 m interval is measured across the scree slope using a rope chain. A GPS coordinate is taken at the midpoint of the sample and the sample tag bar code is scanned using the Fulcrum application. The sampling tools are cleaned using sampling point, or surrounding, material. Using a Geotool, a small trench is dug along the 10 m sample section until the clay-rich horizon is exposed. The sampling equipment is cleaned using the exposed material.

A 21” x 36” polyethylene (“poly”) bag is inserted into a 5 gallon pail with a 4-mesh sieve over the bag. Using a trowel, a representative amount of the clay-rich horizon is scooped and put through the sieve to reduce the fraction, until a minimum 1 kg sample is collected. The bag is labelled with the sample ID and the matching sample tag is inserted into the bag, then the bag is tied closed with flagging tape. The sample description is recorded in the Fulcrum application and a photograph is taken of the sample and sample station. Once the record is saved the sampler moves onto the next sample point. Once the sampler is done for the day and returns to camp, the samples that they have collected are dried then screened using a 30-mesh sieve.

B-Horizon Soil Sampling Methodology

After the sample station is identified using a handheld GPS or the Fulcrum application, a 30 to 50 cm wide test pit is dug with a shovel. If the first attempt is unsuccessful to acquire an adequate B-horizon soil sample, additional test pits are dug within a 5 m radius. A ‘fist-sized’ (300 to 400 g) sample is collected using trowels; one to scrape the pit wall and a second to catch the sample. If a B-horizon does not exist, any Fe-rich oxidized material below the organics horizon is collected. The sample is sieved into a kraft bag using a 4-mesh screen to remove larger rock clasts and organic material. The kraft bag is labelled with the sample code, the top is folded down, and tied closed using flagging tape. Sample descriptions and other entries are entered in the Fulcrum application. A photo of the sample and sample pit is taken. The shovel and trowel are cleaned, and the sampler can move to the next location.

Soil Sample Results

Anomalous Ah horizon soil samples suggest a northwestern extension to the Homestake Silver Mineralized Zone. Additionally, anomalous Ah horizon soil samples correlate well with the South Reef mineralized zone and suggest a southeastern extension. Anomalous talus fines samples suggest a northwestern extension to the South Reef main zone, which coincides with the northwest direction of plunging high-grade mineralization that remains undrilled demonstrating the highly prospective nature of this corridor.

B-C Soil sampling at regional targets, Bria, Kombi and KNHSR1 returned highly anomalous values in precious and base metals which require additional follow up work. B-C soil samples at Bria and KNHSR target areas returned peak values of 1.05 and 0.283 ppm Au respectively. At KNHSR a coincident silver anomaly occurs with the gold anomaly with a peak value of 13.8 ppm Ag. Anomalous silver values were also returned from the southern portion of the Kombi soil grid with a peak value of 5.7 ppm Ag. Spotty arsenic and molybdenum anomalies are present at all three target areas.

Induced Polarization Survey

During 2017 17.5 line km of Induced Polarization (IP) ground geophysical surveying was completed using a pole-dipole array with 50 m dipole spacing. The 2017 survey data was combined with the 2013 IP data and depth slices from both the resistivity and chargeability were used to create 3D inversion models. The 3D inversions were used in conjunction with drill hole logging to reinterpret the geological setting of the Homestake property and confirmed the apparent extensional regime and graben geometry.

Re-log of Historic Drill Core

The relog program was designed to evaluate criteria not previously captured as part of historic logging including identifying fluid flow characteristics, mineralization, and fluid chemistry evaluation through short wave infrared (“SWIR”) analysis. This data was then used to refine the geological model of Homestake Main, Homestake Silver, the Slide Zone and South Reef. The relog was very effective at identifying the variables which correspond to mineralization. These included texturally destructive strong silicification, high sulphide content, hematite and hydrothermal chlorite, multiphase and single-phase hydrothermal breccia, high crystallinity (both kaolinite and sericite), high wavelength white mica minerals >2,208 nm, and Mg rich chlorite.

Geochronological Study

Five (5) geochronology samples were collected to help constrain the crystallization age of intrusions and establish the age of a rhyolite tuff (Hazelton or Salmon River) using Uranium- Lead (U-Pb) Laser ablation techniques. Galena Pb-isotopes were used to establish ages for mineralization within mineralized veins. Ar-Ar step-heating techniques were utilized to establish the cooling age of the intrusions.

Airborne Geophysics

A Versatile Time Domain Electromagnetic (VTEM) and Magnetics survey was flown by Geotech Ltd. over two blocks of the Homestake Property to augment the historic airborne geophysical data. The survey comprised 574 line kilometres covering the Bravo N1-N7 (Area 1) and KNHSR. (Area 2) claims. Computational Geosciences Inc. was contracted to complete interpretations and inversions of both the new survey data and the historic data. The property scale magnetics picture highlights several regional structures trending both NNE and NNW. The NNW trending structures are interpreted to be the basin bounding faults which parallel large-scale regional faulting. Conductive features identified from the electromagnetics data have helped to refine the geometry of several intrusive bodies throughout the Property.

Drilling

Historical Drilling

Historical drilling at the Homestake Ridge Project is summarized in the below table.

Historical Drilling

Years	Company	Zones Drilled	Number of Holes Drilled	Metres Drilled
1964-1979	Dwight Collison	Lucky Strike (Homestake)	7	58.2
1989-1991	Noranda Exploration	Homestake & Vanguard	12	1,450.05
2000	Teck Cominco	All Zones	21	4,374.6
2003-2012	Bravo Ventures (Homestake Resource)	All Zones	252	71,026
2013-2014	Agnico Eagle	Exploration & Slide Zone	16	6,525

Source: Fury, 2020

Logging protocols have remained generally consistent through all of Homestake’s programs. The holes were quick-logged by a geologist. The quick logs included a brief description of lithology, alteration and mineralogy, as well as a description of any significant structural characteristics. The core was photographed and stored pending more detailed logging.

Detailed core logging included description of lithology, mineralization, type and intensity of alteration, vein mineralogy and component percentage, breccia intensity, fracture intensity and structural components such as faults, fractures, contacts, bedding, cleavage (primary and secondary) and veining, measured relative to the core axis. Geotechnical logging includes recovery, rock quality designation (RQD) and, occasionally, specific gravity. Petrographic studies were done in 2006, 2007, and 2008 and encompassed 53 specimens of drill core from various locations of interest.

Generally, core recovery was observed to be very good, and in the Qualified Person's opinion there are no drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

Fury Drilling

During 2017, Fury completed a total of 37 drill holes totaling 14,850 m targeting large stepouts along the on the Homestake Main Zone (HM) and Homestake Silver Zone (HS) structures. An additional six drill holes totaling 2,482 m were completed in 2018 on the South Reef Zone (SR) target.

Drilling was contracted to Cyr Drilling International Ltd. (Cyr) from Winnipeg, MB. Cyr used helicopter portable A-5 hydraulic drills manufactured by Zinex Mining Corp. to produce NQ2 (50.6 mm diameter) core. The drills were moved between drill sites and supported by an Astar 350 B-3 helicopter provided by Tseax Aviation from Terrace, BC.

Core recovery for the Fury drillholes was generally very good to excellent, allowing for representative samples to be taken and accurate analyses to be performed. All holes were continuously sawn and sampled in two metre samples regardless of geological contacts.

<u>Drill Core Sample Methodology</u>

The first stage of the sampling procedure is completed by the loggers, who mark the sample on the core with a red china marker, paying particular attention to marking a saw line on the core sothat the sawing will not be biased. The logger ensures the saw line is cut along the length of the core consistently so that the same half always goes into sample bags and the other half stays in the box and by adding hash marks to the top half of the core. Quality Control and Quality Assurance ("QA/QC") samples were introduced into the sample stream at a rate of 1 in 20 for both blank samples and Certified Reference Material ("CRM") samples. The sample is prepared by selecting the correct standard or blank and placing it into the sample bag with the correct sample tag inside the bag and on the outside of the bag. Duplicate samples, in the form of quarter sawn samples, are collected from core at the frequency of 1 sample per 50 samples (in general, 1 or 2 sample duplicates per hole). Two sample tags are stapled to the core box and the interval marked "DUPLICATE" to notify the core cutter that different cutting procedures are to be used to enable a representative sample of core to be retained. Once all core in the hole has been sampled, sample bags are aligned in sequential order and checked for errors and to ensure no samples have been missed. Sample tag books and the data logger are referred to as part of the check process.

The individual core samples are then placed in rice bags, which are sealed using uniquely numbered zip ties and flown to the staging area (on a twice per week basis) where they were immediately transferred to Smithers. From Smithers, the samples were trucked to the ALS Global ("ALS") sample preparation facility in either Terrace or Vancouver, BC.

In Terrace and/or Vancouver, the samples are logged into ALS's sample tracking system, dried and fine crushed to better than 90 percent passing 2 mm. The sample is then split using a riffle splitter and a 250 g portion is pulverized to better than 85 percent passing 75 µm (ALS Sample Preparation Code Prep-33D). The pulverized samples were the forwarded to ALS's analytical facility in Vancouver for analysis. Core recovery is generally very good to excellent, allowing for representative samples to be taken and accurate analyses to be performed. Half-core samples, two metres long, were taken along the entire length of each hole. A total of 8,622 split core samples were taken. The Qualified Person did not note any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

APEX co-author and QP Andrew J. Turner, B.Sc., P.Geol., has reviewed the sampling procedures, analysis, and QAQC procedures used during the drilling programs completed for the Homestake Ridge Project and deems that they follow industry standards. APEX co-author and QP Andrew J. Turner, B.Sc., P.Geol., accepts the drillhole database used to calculate the MRE reported herein.

Data Verification

Pre-2013 Verification Work

Comprehensive data verification was performed by David W. Rennie, P.Eng, Associate Principal Geologist with RPA (now part of SLR Consulting Ltd), both for the 2010 and 2011 Mineral Resource estimates as outlined in supporting NI43-101 reports (Rennie et al. 2010, Rennie, 2011). These included checks against original data sources, standard database checks such as from/to errors, and basic visual checks for discrepancies with respect to topography and drill hole deviations. In 2010, 3,055 samples were compared to assay certificates and only one error was found. For the 2011 to 2012 data, Homestake and Rennie conducted further data validation procedures similar in some respects to those carried out for earlier drilling campaigns.

2017 to 2019 Verification Work

Paul Chamois, M.Sc. (A), P.Geo., Principal Geologist with RPA and an independent QP, visited the Homestake Ridge Project from August 26 to 28, 2017. During the visit, Mr. Chamois examined core from the on- going drilling program, confirmed the local geological setting, reviewed the core handling and data collection methodologies, and investigated factors that may affect the Homestake Ridge Project. Due to the advanced nature of the Homestake Ridge Project, no independent samples were taken during the visit.

Mr. Turner is of the opinion that database verification results for the Homestake Ridge Project comply with industry standards and are adequate for the purposes of Mineral Resource estimation.

The complete Homestake Ridge Project drill and sample database is currently maintained in industry standard acQuire GIM software, which incorporates validated log entry and assay certificate imports. RPA QP's reviewed the drill database provided in the Seequent's Leapfrog Geo/EDGE (v5.0.3) (Leapfrog) Mineral Resource project. Overall, the database appears to be well-constructed with appropriate field names. Data from previous owner campaigns are well described. Thirty-three NULL sampleIDs with no grades were explained as unsampled intervals in Fury's surface trenching. Minor work is still required to find and enter 225 drill hole dates and correct older collar positions which differ from topography (e.g., 1989 Noranda holes in the Homestake Ridge Project deposit area re-surveyed by Homestake in 2008 using differential GPS). These holes do not materially affect the Mineral Resource estimate. The QP also recommends adding a "YEAR" field to the collar table to easily query drilling summaries.

2022 Site Inspection – APEX Geoscience Ltd.

Mrs. Rachelle Hough, B.Sc., P.Geo., an APEX co-author this Technical Report and QP, conducted a site inspection of the Property on January 20th, 2022 on behalf of Dolly Varden. Mrs. Hough verified the physiography of the Property and reviewed selected historical drill core utilized in the mineral resource estimate in section 14 herein. Mrs. Hough, an APEX co-author reviewed mineralized intersections in core holes HR06-27, HR06-50, HR08-99 and HR09-152 from the HR Zone and HR09-165 from the Homestake Silver Zone, and collected six half core check samples for future assaying. The samples will be submitted to ALS Global Laboratory in North Vancouver, BC, Canada for geochemical analysis.

Current Data Verification Work – APEX Geoscience Ltd.

Dolly Varden provided APEX with original assay certificates, geological logs, and survey files. Under the supervision of APEX co-author and QP Mr. Turner, APEX personal reviewed approximately 10% of the database assay, collar, and surveys. No issues with the drillhole database were identified. APEX co-author and QP Mr. Turner, B.Sc., P.Geol. takes responsibility for the drillhole database and deems that the database used to calculate the mineral resource estimate ("**MRE**") reported is well validated and suitable for the mineral resource estimation.

There has been no further drilling at the Homestake Ridge Project since the effective date of the MineFill Services, 2020, Technical Report, Updated Mineral Resource Estimate and Preliminary Economic Assessment on the Homestake Ridge Project, Skeena Mining Division, Northwestern British Columbia Prepared for Auryn Resources Inc. (the "**Previous Homestake Project Report**") in May 2020. The MRE in the Previous Homestake Project Report had an effective date of December 31, 20219 and is referred to in this summary as the "**2019 Homestake Project MRE**". The majority of the drilling used in the construction of the 2019 Homestake Project MRE was conducted prior to 2017 and in 2017. There has only been six drillholes completed since 2017 (completed in 2018) at the southern end of the project since the QP Mr. Turner visited the project July 7 to August 6, 2017 and again September 5 to 24. 2017.

Mineral Processing and Metallurgical Testing

Dolly Varden has not undertaken any metallurgical testing. The following sections summarize the historical testwork undertaken by previous owner/operators.

Historical Testwork Summary

Historical metallurgical testwork on Homestake Ridge mineralization is fully documented in previous NI43-101 Homestake Ridge Project Reports.

The historical metallurgical testing included:

- Gravity concentration for gravity recoverable gold
- Flotation testing
- Cyanide testing of whole ore and concentrates
- Environmental testing
- Mineralogy.

The reader is directed to the June 28, 2010 RPA Technical Report by Rennie et al, for details on the historic testwork which is not considered relevant to the recovery methods adopted for this study.

Base Metal Laboratories 2016

The process parameters adopted for this study were derived by Base Metal Laboratories in a 2016 test program that focussed on a hybrid of sulphide flotation and cyanide leaching to maximize the recovery of precious metals. Duplicate head cuts were taken from each composite and assayed for Au, Ag, Cu, Pb, Zn, and Fe. The Main composite had a measured head feed of 4.62 g/t Au and 6 g/t Ag and represented the copper dominant part of the Main deposit. The Silver composite had a measured head feed of 7.76 g/t Au and 198 g/t Ag and was much higher in Ag, Pb and Zn than the Main deposit.

For the Main zone, the process consisted of the sequential production of a gravity concentrate, copper concentrate, and gold bearing pyrite concentrate by flotation. The copper cleaner tailings and pyrite concentrate were cyanide leached together to extract gold and silver. For the Silver zone, the process was similar, however, the copper flotation stage was replaced by sequential flotation of lead and zinc concentrates. Tests were also conducted without gravity concentration to measure the effect on metallurgical performance. The primary grinding was conducted in a mild steel rod mill using mild steel grinding charge.

Gravity concentration was conducted using a Knelson gravity concentrator with a 100 g bowl. The gravity concentrate was then panned to reduce the mass recovery and increase the grade of the gravity concentrate. The Main composite recovered approximately 21 percent of the gold in the feed into a concentrate grading 83 g/t Au. Further upgrading would be required to make the concentrate marketable, which often results in a further drop in recovery. The Silver composite showed more promise, gold in the feed was 28 percent recovered into a gravity concentrate grading approximately 249 g/Au, on average. At these grades and recoveries, the gravity concentrate would have potential for sale.

The pan and Knelson tails were collected together and excess water was decanted for the following flotation stages. Flotation was conducted with a Denver D12 flotation machine. Rougher flotation was conducted in a 4.4 L cell and cleaner flotation was conducted in 2.5 L and 1.5 L flotation cells. Very selective reagent schemes were used in the base metal flotation stage to increase the probability of producing marketable concentrates. Gold recovery to concentrates did show some sensitivity at lower mass recoveries. Better gold recoveries were achieved at the finer primary grind size, with lower mass recovery. This is likely a result of improved mineral liberation at the finer grind size. Similarly, the silver metallurgical performance data indicates that at 30 percent mass recovery, silver was about 90 percent recovered into concentrates. Marginally better silver recoveries were observed with the finer primary grind size at lower mass recoveries.

All leaching was conducted as 24-hour bottle roll tests at relatively high cyanide dosage. For the Main composite, leaching of the pyrite concentrate and copper cleaner tailings without gravity indicated that extraction was 73 percent and 57 percent for gold and silver, respectively. The silver composite demonstrated better leach performance. Indicated gold and silver leach performances on concentrates without gravity were on average 80 percent and 65 percent for gold and silver, respectively. The results achieved were relatively good, but there is considerable scope for improving the performance.

Additional assays on the final concentrates from each composite were performed to determine levels of critical minor deleterious elements. The analyses conducted were limited due to the amount of concentrate available for testing. Most tests produced only 10 g to 15 g of base metal concentrate, which was mostly consumed for gold, silver, copper, lead, zinc, and iron. Arsenic, antimony, and mercury are indicating high values that will likely attract smelter penalties. Normally, some smelters may reject concentrates on the basis of the high arsenic, antimony, and mercury, however, due to the exceptionally high precious metal values of these concentrates, the concentrates should be readily marketable.

Mineral Resource Estimates

APEX was retained by Dolly Varden to review the drilling database and MRE for the Homestake Ridge Project. The Homestake Ridge Project was the subject of the Previous Homestake Project Report that included mineral resource estimates for the Homestake Main (HM), Homestake Silver (HS) and South Reef (SR) zones of gold and silver mineralization. The MREs discussed in the Previous Homestake Project Report has an effective date of December 31, 2019, and referred to herein as the “2019 Homestake Project MRE”.

There has been no further drilling at the Homestake Ridge Project since the effective date of the Previous Homestake Project Report that includes the 2019 Homestake Project MRE. There has been no drilling since 2018, and the 6 holes completed in 2018 all targeted the South Reef zone in an attempt to extend the mineralization encountered at the South Reef zone. The South Reef Zone represents approximately less than 13% of the total overall resource mineralization. The 2019 Homestake Project MRE for the Homestake Main and Homestake Silver zones of mineralization, which represent approximately 87% of the total resource mineralization, is entirely based upon drillholes completed prior to 2017.

Dolly Varden provided APEX with the drillhole database, 3-D topographic surface, and the block model and domains used to calculate the 2019 Homestake Project MRE by the Previous Homestake Project Report.

APEX co-author Mr. Turner, B.Sc., P.Geol. reviewed the provided data and found no significant issues with the data. There has been no new drilling or trenching at the Homestake Ridge Project since the 2019 Homestake Project MRE. Mr. Turner takes responsibility for the drillhole database and deems that the database used to calculate the 2019 Homestake Project MRE is well validated and suitable for the mineral resource estimation.

Based on the APEX review of the 2019 Homestake Project MRE, the APEX co-author Mr. Turner makes the following conclusions:

- There has been no material change to the drillhole database used to calculate the 2019 Homestake Project MRE since its disclosure in the Previous Homestake Project Report.
- No significant issues were identified during the author's validation of the drillhole database use to calculate the 2019 Homestake Project MRE.
- Visually, mineralization domains appear reasonable from a volume perspective, do not unreasonably extend beyond drill control, and are a fair representation of the volume of mineralization.
- As part of the validation of the Previous Homestake Project Report resource estimation effort, Mr. Turner and Mr. Black examined average grades within the 2019 block model relative to declustered composites (calculated by APEX personnel) and found that they compare favourably and represent a good approximation of the Homestake Ridge mineralization.
- The methodology used to calculate the 2019 Homestake Project MRE is reasonable.
- The 2019 Homestake Project MRE was completed in accordance with the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines," dated November 29, 2019, and the CIM "Definition Standards for Mineral Resources and Mineral Reserves," dated May 10, 2014.

The result of Mr. Turner's review of the 2019 Homestake Project MRE is that there are no significant issues identified with the drillhole database or the workflow and methodology used by the Previous Homestake Project Report. As a result, Mr. Turner accepts the Mineral Resource Estimates for the Homestake Main, Homestake Silver and South Reef mineralization zones disclosed by the Previous Homestake Project Report and considers them current as of the date of this report (January 20, 2022).

The following table summarizes the December 31, 2019, MRE for the Homestake Ridge Project by zone reported and disclosed by the Previous Homestake Project Report and accepted by Mr. Turner, B.Sc., P.Geol. as a current Mineral Resource Estimate herein. Indicated and Inferred Mineral Resources are reported within modelled vein solids, without any internal dilution built into the model.

Mineral Resources – December 31, 2019

Dolly Varden Silver Corporation – Homestake Ridge Project

Classification And Zone	Tonnes	Average Grade				Contained Metal			
	(Mt)	Gold (g/t Au)	Silver (g/t Ag)	Copper (% Cu)	Lead (% Pb)	Gold (oz Au)	Silver (Moz Ag)	Copper (Mlb Cu)	Lead (Mlb Pb)
Indicated									
HM	0.736	7.02	74.8	0.18	0.077	165,993	1.8	2.87	1.25
Total Indicated	**0.736**	**7.02**	**74.8**	**0.18**	**0.077**	**165,993**	**1.8**	**2.87**	**1.25**
Inferred									
HM	1.747	6.33	35.9	0.35	0.107	355,553	2.0	13.32	4.14
HS	3.354	3.13	146.0	0.03	0.178	337,013	15.7	2.19	13.20
SR	0.445	8.68	4.9	0.04	0.001	124,153	0.1	0.36	0.00

Total Inferred	**5.545**	**4.58**	**100.0**	**0.13**	**0.142**	**816,719**	**17.8**	**15.87**	**17.34**

Notes:

(1) Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions), as incorporated by reference in NI43- 101, were followed for Mineral Resource estimation.

(2) Mineral Resources are estimated at a cut-off grade of 2.0 g/t AuEq.

(3) AuEq values were calculated using a long-term gold price of US$1,300 per ounce, silver price at US$20 per ounce, and copper price at US$2.50 per pound and a US$/C$ exchange rate of 1.2. The AuEq calculation included provisions for metallurgical recoveries, treatment charges, refining costs, and transportation.

(4) Bulk density ranges from 2.69 t/m3 to 3.03 t/m3 depending on the domain.

(5) Differences may occur in totals due to rounding.

(6) The Qualified Person responsible for this Mineral Resource Estimate is Andrew J. Turner, B.Sc., P.Geol., of APEX Geoscience LTD.

(7) The reader is cautioned that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

(8) HM=Homestake Main Zone, HS= Homestake Silver Zone, and SR= South Reef Zone.

As part of APEX's review of the 2019 Homestake Project MRE, co-author Mr. Turner identified multiple sources of risks and uncertainties described below:

- Currently, there is no orientated core to support the orientation of the structurally controlled high-grade domains. The global volumes of these domains adequately represent the amount of mineralization within the deposit. However, subsurface structural data does not support the structural interpretation that defines the orientation of the frequently narrow high-grade domains that contain most of the reported ounces. Therefore the interpretation of the high-grade domains is a significant source of uncertainty in the overall MRE.
- A robust geological model is not available to support the geological interpretation of the domains, making it challenging to confirm that the geology within each of them is grouped appropriately. Moreover, numerous high-grade intercepts within high-grade domains are not logged as a fluid pathway. Together, these sources of geological uncertainties increase the risk that the domains are not connecting continuous mineralization and that within a single domain, various recovery or density parameters may not be appropriately attributed to future MREs. This uncertainty is currently reflected in the large proportion of inferred resources reported in this MRE. Additional drilling is required to improve the geological model and the confidence in the MRE before improving the classification.

The authors are not aware of (i) any other significant material risks to the MRE other than the inherent risks to mineral exploration and development in general, or (ii) any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Mineral Reserve Estimates

There are no mineral reserves at Homestake Ridge.

Interpretation and Conclusions

The Homestake Ridge Project Report includes a current MRE that is based on validation of the historical work conducted by Auryn. The Auryn historical work consisted of drilling/sampling, re-logging of historic cores, and a re-interpretation of the geological model and resource wireframes.

The Previous Homestake Project Report historical MRE resulted in an 18 percent increase in Indicated Resources and a 23.5 percent reduction in Inferred Resources when compared to the prior MRE (2017). The combined impact of the re-interpreted resource wireframes was an overall reduction in tonnes, an increase in metal grades for gold, silver and copper, and an overall reduction in contained metal.

The current mineral resource is based on validation of the historical drilling and assay data, a review of the Auryn block model and geological model, and confirmation of the Auryn model parameters such as compositing, capping, rock densities, variography, and cut-off grade calculations.

Based on a review of the Mineral Resource model and documentation provided, Mr. Turner offer the following conclusions:

- The grade estimate is reasonable, and the model is suitable to report Mineral Resources.
- The Auryn Mineral Resource model was an improvement as compared to previous estimates. Vein solids appear to be better correlated, the grade estimation methodology in Leapfrog is generally suitable, and the variography is reasonable.
- Capping levels are generally reasonable. The Qualified Persons note that Auryn applied capping after compositing. The Qualified Persons prefer to cap assays before compositing, however, in the case of the Homestake Ridge Project, compositing and capping during grade estimation runs produced similar results to capping assays.
- The sub-block size is small at 0.5 m. The Qualified Persons understand that this block size is used to honour volumes in narrow domains, however, future engineering studies may face challenges when running the model through a stope optimizer.
- The drill and sample database appears to be well organized and administrated.
- Much of the volume of the vein sets does not meet the two metre nominal horizontal width cut-off. Auryn stated that the mineralized volume still generally meets a grade by true width (GT) value of 4.0 (2.00 g/t AuEq * 2.0 m horizontal thickness).
- Assay certificate verification results were excellent, with no errors identified.
- Drill collars are placed on (LiDAR-based) topography, except for several holes located away from the modelled zones.
- Quality assurance/quality control procedures and results for the Homestake Ridge Project are sufficient to support Mineral Resource estimation.
- Density measurement methodology and coverage are appropriate for the deposit.
- The deposit is adequately drilled to support interpretation of the vein solids in each zone.
- Correlation in some parts of the deposit appears ambiguous. Choosing the alternate interpretation in these areas, however, would not likely result in marked differences in volume.

Recommendations

Geology and Mineral Resources

Completing a thorough review of all the geological logging databases and supplementing it with additional detailed logging through a re-logging program would aid the creation of a robust alteration and rock type 3-D model. The geological model would help de-risk future mineral resource studies by increasing confidence in the size and orientation of mineralization. Moreover, the geological model will enable a more robust assignment of important mining parameters such as density and recoveries to future mineral resources.

Resource Drilling

There is currently no subsurface structural data to help guide geological modelling efforts. Strategically targeted orientated core infill drilling is critical to improving the classification of the current MRE and will de-risk future mine planning exercises by enabling a robust structural model and an improved geological model to be constructed and help define the continuity and orientation of mineralization.

A significant level of infill drilling is required to increase the classification of the Inferred resources to Indicated or Measured resources before completing a pre-Feasibility or Feasibility level study.

Geotechnical Studies

A number of geotechnical studies are required to advance the project to the engineering stage.

The most critical study, at this stage, is a comprehensive geotechnical assessment of ground conditions at the each of the 3 deposits. This study is critical because it will be needed to validate the mining methods assumed herein, and the geometry and size of open spans for mine development and stoping, and the requirements (and costs) for ground control. The scope of this evaluation must include geotechnical drilling, fracture mapping, rock strength and rock quality assessments, and a preliminary assessment of groundwater pressures and flows.

Additional geotechnical studies will also be needed to support surface development engineering.

Environmental Testing

Preliminary environmental testwork has been carried out to determine the acid generating potential of the waste rock and tailings, but additional work is required to expand the scope to include all of the major rock types from each of the three deposits. Once the acid potential can be mapped to each of the major rock types it will be possible to generate volumetric estimates of PAG versus NAG rock produced at each deposit.

Environmental Monitoring

Baseline environmental monitoring will be needed for any permit submittals to advance the project. The key variables include: surface water quality and geochemistry, groundwater quality and geochemistry, air quality, and climate monitoring (wind speed and direction, temperatures and humidity).

Surface Hydrology and Water Balance: Surface runoff from melting glaciers and rainfall will need to be assessed in a site wide water balance as the project likely sits in a net positive water environment (in other words the project will produce more water than it can consume). Hydrological studies will be needed to quantify the volumes of surface runoff, and volumes of mine water produced as this will impact the scope and size of a water treatment plant needed to treat water discharges.

Metallurgical Testing

The second most critical area for future studies is advancement of the metallurgical testwork, and further optimization of a flowsheet. This testing will be needed to optimize the metals recovery to concentrates, and to maximize the concentrate grades. An overview of the ongoing metallurgical testing is as follows:

- Continue parameter testing to optimize the lead and copper flotation process. Tests should investigate different regrind sizes, coarser primary grinds, removal of cyanide, different collectors to name a few.
- Locked cycle tests should be conducted to obtain dynamic metallurgical performance estimates.
- Generate more concentrate for cyanide leach studies and fully optimize the leach process. Parameters to consider are, concentrate regrind size, cyanide dosage, addition of lead nitrate to name a few.
- Sub samples of varying feed grades and geological domains should be tested using the optimized flowsheet to understand variability in the deposit.
- The same subsamples should be subjected to comminution studies to determine energy requirements for grinding the rock. There was a significant grind time difference between the Main and Silver zone.
- The settling properties of the flotation and leach tailings should be measured.
- Whole ore leaching should be revisited as an alternative to the hybrid flowsheet for comparison purposes.

The authors suggest next stage for the Homestake Ridge Project should be a combination of de-risking, and maximizing opportunities. The Qualified Person's for this Technical Report recommend the Homestake Ridge Project be advanced with further exploration and completion of a Preliminary Economic Analyses.

Proposed Budget

The budgeted cost estimate in the recommendations is $25M in exploration drilling and further studies, broken down as follows:

Future Work Tasks and Budget (C$)

Task	Scope	Budget
Resource Infill Drilling	35 – 55 km of diamond drilling including geological logging, sampling and assays drilling	$21,000,000
Metallurgical Drilling/Samples	Large diameter core	$500,000
Geotechnical Studies	Geotechnical drilling Geotechnical analysis	$250,000 $150,000
Environmental Testing	Tailings Waste Rock	$150,000
Groundwater Studies	Monitoring Wells Aquifer/Packer Tests	$150,000
Surface Water Hydrology	Stream Gauges Site Water Balance	$250,000
Metallurgical Testing	Additional Testing	$500,000
Power Sources and Access Study	Update 2012 Study	$50,000
Preliminary Economic Assessment and Updated Mineral Resource Estimate	Consultants Report	$2,000,000
Total Budget		$25.0 Million

EXHIBIT 3 TO APPENDIX C
PRO FORMA FINANCIAL STATEMENTS

(See attached)

DOLLY VARDEN SILVER CORPORATION

Pro Forma Condensed Consolidated Financial Statements
As at and for the nine months ended September 30, 2021, and for the year ended December 31, 2020

(Unaudited - Expressed in Canadian dollars)

DOLLY VARDEN SILVER CORPORATION

Pro Forma Condensed Consolidated Interim Statement of Financial Position

As at September 30, 2021

(Unaudited - Expressed in Canadian dollars)

	Dolly Varden Silver Corporation	Homestake Resource Corporation	Pro forma Adjustments	Notes	Pro Forma
ASSETS					
CURRENT ASSETS					
Cash	$ 17,449,072	$ 15,349	$ (5,000,000)	3i)	$ 12,490,322
			(15,349)	3ii)	
			41,250	3iv)	
Amounts receivable	256,278	9,092	(9,092)	3ii)	256,278
Prepaid expenses and deposits	210,045	142,168	(142,168)	3ii)	210,045
	17,915,395	166,609	(5,125,359)		12,956,645
NON-CURRENT ASSETS					
Reclamation deposit	246,549	68,000	-		314,549
Equipment	91,000	-	-		91,000
Exploration and evaluation assets	4,029,234	16,460,126	(16,460,126)	3i)	54,426,896
			50,397,662	3i)	
TOTAL ASSETS	$ 22,282,178	$ 16,694,735	$ 28,812,177		$ 67,789,090
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	$ 832,499	$ 136,712	$ (136,712)	3ii)	$ 1,925,499
			68,000	3i)	
			1,025,000	3i)	
Liability on flow-through share issuances	292,924	-	-		292,924
Amount due to parent company	-	3,275,364	(3,275,364)	3ii)	-
TOTAL LIABILITIES	1,125,423	3,412,076	(2,319,076)		2,218,423
SHAREHOLDERS' EQUITY					
Share capital	80,163,414	74,230,268	(74,230,268)	3ii)	124,577,326
			44,372,662	3i)	
			41,250	3iv)	
Reserves	7,956,384	144,509	(144,509)	3iii)	7,956,384
Deficit	(66,963,043)	(61,092,118)	61,092,118	3ii)	(66,963,043)
TOTAL SHAREHOLDERS' EQUITY	21,156,755	13,282,659	31,131,253		65,570,667
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 22,282,178	$ 16,694,735	$ 28,812,177		$ 67,789,090

DOLLY VARDEN SILVER CORPORATION

Pro Forma Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

For the nine months ended September 30, 2021

(Unaudited - Expressed in Canadian dollars)

	Dolly Varden Silver Corporation	Homestake Resource Corporation	Pro forma Adjustments	Pro Forma
EXPENSES				
Consulting fees	$ 197,205	$ -	$ -	$ 197,205
Directors' fees	43,205	-	-	43,205
Exploration and evaluation	5,272,363	400,734	-	5,673,097
Management fees	280,043	-	-	280,043
Marketing and communications	383,277	-	-	383,277
Office and administration	190,657	5,936	-	196,593
Professional fees	81,080	400	-	81,480
Rent and maintenance	39,300	-	-	39,300
Share-based payments	1,101,406	-	-	1,101,406
Transfer agent and filing fees	43,447	-	-	43,447
Travel and accommodation	7,503	-	-	7,503
	7,639,486	407,070	-	8,046,556
OTHER EXPENSES (INCOME)				
Recovery on flow-through premium	(864,330)	-	-	(864,330)
Realized net loss on marketable securities	-	186,060	-	186,060
Interest and other income	(61,107)	(203)	-	(61,310)
Foreign exchange loss	-	7	-	7
Loss and comprehensive loss for the period	$ 6,714,049	$ 592,934	$ -	$ 7,306,983
Loss per share				
Basic and diluted loss per share	$ 0.06	$ 0.01	$ -	$ 0.04

DOLLY VARDEN SILVER CORPORATION
Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss
For the year ended December 31, 2020
(Unaudited - Expressed in Canadian dollars)

	Dolly Varden Silver Corporation	Homestake Resource Corporation	Pro forma Adjustments	Pro Forma
EXPENSES				
Consulting fees	$ 198,079	$ -	$ -	$ 198,079
Directors' fees	112,578	-	-	112,578
Exploration and evaluation	5,245,880	466,111	-	5,711,991
Management fees	606,567	-	-	606,567
Marketing and communications	322,203	-	-	322,203
Office and administration	260,966	1,823	-	262,789
Professional fees	121,200	1,197	-	122,397
Rent and maintenance	75,250	-	-	75,250
Share-based payments	659,096	-	-	659,096
Transfer agent and filing fees	39,150	-	-	39,150
Travel and accommodation	8,894	-	-	8,894
	7,649,863	469,131	-	8,118,994
OTHER EXPENSES (INCOME)				
Recovery on flow-through premium	(300,001)	-	-	(300,001)
Unrealized gain on marketable securities	-	(93,031)	-	(93,031)
Interest and other income	(82,224)	(534)	-	(82,758)
Part XII.6 tax	10,682	-	-	10,682
Foreign exchange loss	-	2,505	-	2,505
Loss and comprehensive loss for the year	$ 7,278,320	$ 378,071	$ -	$ 7,656,391
Loss per share				
Basic and diluted loss per share	$ 0.07	$ 0.01	$ -	$ 0.07

On December 6, 2021, Dolly Varden Silver Corporation ("Dolly Varden" or the "Company") entered into a share purchase agreement pursuant to which the Company has agreed to acquire all of the outstanding common shares of Homestake Resource Corporation ("Homestake") from Fury, which holds a 100% interest in the Homestake Project as described in Note 2 (the "Acquisition") for total consideration of $5,000,000 cash and the issuance of 76,504,590 common shares of the Company. The Company is financing the acquisition with cash on hand and shares issued from treasury. The Acquisition will be accounted for using the acquisition method under International Financial Reporting Standards ("IFRS") 3 "Business Combinations" with the Company identified as the accounting acquirer.

These unaudited pro forma condensed consolidated financial statements are based on the Company's historical financial statements and Homestake's historical consolidated financial statements as adjusted to give effect to the Acquisition. The unaudited pro forma condensed consolidated statements of loss and comprehensive loss for the year ended December 31, 2020 and the nine months ended September 30, 2021 give effect to the Acquisition and the relating financing transactions as if they had occurred on January 1, 2020. The unaudited pro forma condensed consolidated of financial position as of September 30, 2021 gives effect to the Acquisition and the relating financing transactions as if they had occurred on September 30, 2021.

The assumptions and estimates underlying the unaudited adjustments to the pro forma condensed consolidated financial statements are described in the accompanying notes, which should be read together with the pro forma condensed consolidated financial statements. The unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the year ended December 31, 2020 and nine months ended September 30, 2021 together with the unaudited pro forma condensed consolidated statement of financial position as at September 30, 2021 are called the "pro forma statements of operations."

The unaudited pro forma statements of operations should be read together with the Company's financial statements for the year ended December 31, 2020 and the unaudited condensed interim financial statements for the nine months ended September 30, 2021, which are filed at www.sedar.com, and Homestake's historical information included herein.

1. BASIS OF PRESENTATION

The historical consolidated financial statements for both companies have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The historical consolidated financial statements have been adjusted in the unaudited pro forma statement of operations to give effect to pro forma events that are directly attributable to the specific acquisition transaction for which there are firm commitments and for which the complete financial effects are objectively determinable and adjustments to conform amounts for the business or related businesses to the issuer's accounting policies.

The business combination will be accounted for under the acquisition method of accounting in accordance with IFRS 3. As the acquirer for accounting purposes, the Company has estimated the fair value of Homestake's assets acquired and liabilities assumed and has sought to align the accounting policies of Homestake to its accounting policies.

The pro forma statements of operations are based on preliminary estimates, accounting judgments and currently available information and assumptions that management believes are reasonable. The notes to the pro forma statements of operations provide a detailed discussion of how such adjustments were derived and presented in the pro forma statements of operations. The pro forma statements of operations have been prepared for illustrative purposes only and are not indicative of the Company's financial position had the Acquisition actually occurred on the date indicated, nor is such pro forma financial information indicative of the results to be expected in any future period. A number of factors may affect these results and actual results may differ materially.

(Unaudited - Expressed in Canadian dollars)

2. THE ACQUISITION

On December 6, 2021, the Company and Fury Gold Mines Limited ("Fury") entered into a definitive agreement (the "Purchase Agreement") pursuant to which the Company has agreed to acquire all of the outstanding common shares of Homestake from Fury, which holds a 100% interest in the Homestake Project in exchange for a $5,000,000 cash payment and the issuance of 76,504,590 common shares of Dolly Varden ("Common Shares"). Upon completion of the Acquisition, Fury will own approximately 36.9% of the Common Shares on an outstanding basis.

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

These unaudited pro forma financial statements have been prepared assuming the following transactions and assumptions:

i) Acquisition

Management has evaluated that the Acquisition constitutes an asset acquisition, rather than a business combination, as the net assets to acquire do not meet the definition of a business, as defined in IFRS 3 Business Combinations. The Company will apply IFRS 2 Share-based Payments in accounting for and assessing the transaction. Consequently, the transaction will be accounted as an acquisition of Homestake's net assets with cash and by the issuance of shares of the Company. The Homestake share capital and retained earnings will be eliminated in the pro forma consolidation. The cost of the transaction in excess of the net assets will be reflected as a mineral property asset:

Purchase consideration		
Cash consideration	$	5,000,000
Estimated fair value of shares consideration[1]		44,372,662
Estimated transaction costs related to Acquisition		1,025,000
Reimbursement for outstanding reclamation bond		68,000
	$	50,465,662
Fair Value of net assets acquired		
Reclamation bond	$	68,000
Exploration and evaluation assets		50,397,662
	$	50,465,662

[1]The estimated fair value of the shares was determined based on the share price on the date of the Purchase Agreement. On December 6, 2021, the Company had a share price of $0.58.

ii) Reflects working capital adjustments for obligations and assets retained by Fury and a capital contribution effected by Fury with respect to amounts owed by Homestake to Fury, each of which transactions is to be completed prior to closing in accordance with the Purchase Agreement and excluded from the Acquisition transaction.
iii) Reflects the elimination of the historical equity, including reserves, in Homestake and the issuance of Common Shares to finance the Acquisition. Homestake has no warrants or options outstanding at September 30, 2021.
iv) Subsequent to September 30, 2021, the Company had 125,000 stock options exercised for proceeds of $41,250.

(Unaudited - Expressed in Canadian dollars)

4. PRO FORMA SHARE CAPITAL

	Number of shares	Amount
Outstanding common shares of Dolly Varden at September 30, 2021	130,862,861	$ 80,163,414
Subsequent common shares issued pursuant to exercise of stock options	125,000	41,250
Issuance of common shares pursuant to the Acquisition	76,504,590	44,372,662
Pro Forma share capital	207,492,451	$ 124,577,326

5. INCOME TAXES

The pro forma effective statutory Canadian income tax rate applicable to the consolidated operations subsequent to the completion of the Acquisition is approximately 27%.

6. **PRO FORMA LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS**

Loss per share attributable to shareholders of the Company in the unaudited pro forma condensed consolidated interim statements of loss and comprehensive loss for the nine-month period ended September 30, 2021 were computed based on the number of Dolly Varden shares outstanding for the period and the number of shares issued under the Acquisition.

The following table provides a reconciliation of the denominators, using in computing basic and diluted loss per share.

	For the nine months ended September 30, 2021	For the year ended December 31, 2020
Shares outstanding	130,704,528	102,790,518
Pro forma issuance of shares	76,504,590	-
Weighted average shares outstanding during the period – Basic and diluted	207,209,118	102,790,518
Loss attributable to shareholders	$7,306,983	$7,656,391
Pro forma loss per share attributable to shareholders – Basic and diluted	$(0.04)	$(0.07)

EXHIBIT 4 TO APPENDIX C
AUDIT COMMITTEE MANDATE

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 Mandate 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 Mandate

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 Mandate.

EXHIBIT 5 TO APPENDIX C
COMPENSATION COMMITTEE MANDATE

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 Mandate 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.

EXHIBIT 6 TO APPENDIX C
NOMINATING AND CORPORATE GOVERNANCE COMMITTEE MANDATE

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 Mandate 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
FAIRNESS OPINION

(See attached)

CAPITAL MARKETS

HAYWOOD

December 6, 2021

The Board of Directors
Dolly Varden Silver Corporation
Suite 1800 – 555 Burrard St.
Vancouver, BC V7X 1E5

To the Board of Directors:

Haywood Securities Inc. (the "**Advisor**" or "**Haywood**") understands that Dolly Varden Silver Corporation (the "**Corporation**" and which term shall, to the extent required or appropriate in the context, include the affiliates of the Corporation) proposes to enter into a definitive share purchase agreement (the "**SPA**" and which term shall include the schedules attached thereto) with Fury Gold Mines Limited ("**Fury**") dated December 6, 2021, pursuant to which the Corporation will acquire from Fury, through the acquisition of Fury's wholly owned subsidiary Homestake Resource Corporation ("**Homestake**"), a 100% interest in the Homestake Ridge gold-silver project ("**Homestake Ridge**"), located adjacent to the Corporation's Dolly Varden project in the Golden Triangle, British Columbia, and enter into an investor rights agreement (the "**IRA**" and which term shall include the schedules attached thereto) with Fury upon closing of the transactions contemplated by the SPA. Under the terms of the SPA, Fury shall receive (i) C$5 million in cash (the "**Cash Consideration**") and (ii) 76,504,590 common shares of the Corporation valued at C$45 million (the "**Share Consideration**" and together with the Cash Consideration, the "**Consideration**") in exchange for all of the issued and outstanding shares of Homestake (the "**Transaction**"). The Transaction will be described in greater detail in a management information circular (the "**Circular**") to be prepared by the Corporation in compliance with applicable laws, regulations, policies and rules, which Circular will be mailed to the shareholders of the Corporation.

The Board of Directors of the Corporation (the "**Board of Directors**") has retained Haywood to provide financial advice to the Corporation, including our opinion (this "**Fairness Opinion**") to the Board of Directors as to the fairness of the Transaction, from a financial point of view, to the Corporation. Haywood has not prepared a valuation of either the Corporation, Fury, or Homestake, or any of their respective securities or assets and this Fairness Opinion should not be construed as such.

Engagement

The Corporation and Haywood initially discussed a potential advisory assignment with respect to the acquisition of Homestake Ridge in May 2021 and Haywood was formally engaged by the Board of Directors pursuant to an agreement dated November 17, 2021 between Haywood and the Corporation (the "**Advisory Agreement**"). Under the terms of the Advisory Agreement, Haywood has agreed to provide the Corporation and the Board of Directors with various advisory services in connection with the Transaction including, among other things, the provision of the Fairness Opinion. Following a review of the terms of the Transaction, Haywood rendered its oral opinion to the Board of Directors. This Fairness Opinion confirms the oral opinion rendered by Haywood to the Board of Directors on December 5, 2021.

The terms of the Advisory Agreement provide that Haywood is to be paid a fee for its services, including a fixed fee for the delivery of the Fairness Opinion and a fee that is contingent on the successful completion of the Transaction. The Corporation has also agreed to reimburse Haywood for its reasonable out-of-pocket expenses and to indemnify Haywood, its subsidiaries and affiliates, and their respective officers, directors, and employees, against certain expenses, losses, actions, claims, damages and liabilities which may arise directly or indirectly from services performed by Haywood in connection with the Advisory Agreement. The payment of the fixed fee for the delivery of the Fairness Opinion and the payment of expenses is not dependent on the completion of the Transaction.

Independence of Haywood

Neither Haywood, nor any of our affiliates, is an insider, associate, or affiliate (as those terms are defined in the *Securities Act* (British Columbia) or the rules made thereunder) of the Corporation, Fury, or any of their respective associates or affiliates. As of the date hereof, Haywood has not entered into any other agreements or arrangements with the Corporation or Fury or any of their affiliates with respect to any future dealings.

Haywood acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Corporation and/or Fury or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. In the ordinary course of trading and brokerage activities, Haywood, the associates and affiliates thereof and the officers, directors and employees of any of them at any time may hold long or short positions, may trade or otherwise effect transactions, for their own account, for managed accounts or for the accounts of customers, in debt or equity securities of the Corporation, Fury, or related assets or derivative securities. As an investment dealer, Haywood conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Corporation or Fury or the Transaction.

Haywood has not acted as agent or underwriter in any financings involving either the Corporation or Fury, or any of its associates or affiliates, during the 24-month period preceding the date that Haywood first discussed a potential Transaction with the Corporation.

Credentials of Haywood

Haywood is one of Canada's leading independent investment dealers with operations in corporate finance, equity sales and trading and investment research. Haywood has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions. The opinion expressed herein is the opinion of Haywood, and the individuals primarily responsible for preparing this opinion are professionals of Haywood experienced in merger, acquisition, divestiture and fairness opinion matters.

The Fairness Opinion represents the opinion of Haywood, the form and content of which have been approved for release by a committee of senior Haywood personnel who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Scope of Review and Approach to Analysis

In connection with rendering the Fairness Opinion, Haywood has reviewed and relied upon, or carried out, among other things, the following:

(a) reviewed the SPA between the Corporation and Fury, dated December 6, 2021;

(b) reviewed the IRA between the Corporation and Fury, to be entered into at closing of the Transaction;

(c) reviewed the disclosure letter of Fury, dated December 6, 2021;

(d) reviewed the non-binding letter of intent between the Corporation and Fury, dated November 16, 2021, as amended;

(e) reviewed the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2020 and 2019;

(f) reviewed the management's discussion and analysis of the Corporation for the financial years ended December 31, 2020 and 2019;

(g) reviewed the unaudited consolidated financial statements of the Corporation for the financial quarters ended September 30, 2021, June 30, 2021 and March 31, 2021;

(h) reviewed the management's discussion and analysis of the Corporation for the financial quarters ended September 30, 2021, June 30, 2021 and March 31, 2021;

(i) reviewed the management information circular of the Corporation dated May 25, 2021;

(j) reviewed the audited consolidated financial statements of Fury for the years ended December 31, 2020 and 2019;

(k) reviewed the management's discussion and analysis of Fury for the financial years ended December 31, 2020 and 2019;

(l) reviewed the unaudited consolidated financial statements of Fury for the financial quarters ended September 30, 2021, June 30, 2021 and March 31, 2021;

(m) reviewed the management's discussion and analysis of Fury for the financial quarters ended September 30, 2021, June 30, 2021 and March 31, 2021;

(n) reviewed the management information circular of Fury dated May 21, 2021;

(o) reviewed the annual information form of Fury dated March 31, 2021 for the year ended December 31, 2020;

(p) reviewed certain press releases and other publicly available information relating to the business, financial condition and trading history of each of the Corporation and Fury and other select public companies we considered relevant;

(q) reviewed applicable National Instrument 43-101 compliant technical reports of the Corporation and Fury;

(r) reviewed corporate presentations of each of the Corporation and Fury;

(s) reviewed certain historical financial information and operating data concerning the Corporation and Fury;

(t) reviewed certain projected financial information, which were prepared and provided by the Corporation;

(u) reviewed historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of each of the Corporation and Homestake;

(v) reviewed certain internal documents which were prepared and provided by the Corporation and Fury;

(w) reviewed historical market prices and valuation multiples for the common shares of the Corporation and the common shares of Fury and compared such prices and multiples with those of certain publicly traded companies that we deemed relevant for the purposes of our analysis;

(x) reviewed the financial results of the Corporation and Fury and compared them with publicly available financial data concerning certain publicly traded companies that we deemed relevant for the purposes of our analysis;

(y) reviewed publicly available financial data for merger and acquisition transactions that we deemed comparable for the purposes of our analysis;

(z) reviewed certain industry and analyst reports and statistics that were deemed relevant for the purposes of our analysis; and

(aa) reviewed and considered such other financial, market, technical and industry information, and conducted such other investigations, analyses and discussions (including discussions with management of the Corporation) as we considered relevant and appropriate in the circumstances.

In addition, Haywood has participated in discussions with members of the Corporation's management team regarding the Corporation, past and current business operations, and the Corporation's financial condition and prospects.

Haywood did not complete a detailed technical due diligence review, and has relied upon management of the Corporation for all technical due diligence matters, without independent verification. No physical due diligence of Homestake Ridge was undertaken by Haywood. Haywood has not, to the best of its knowledge, been denied access by the Corporation to any other information under its control requested by Haywood.

Haywood did not meet with the auditors of the Corporation or Fury and has assumed the accuracy and fair presentation of and relied upon the audited consolidated financial statements of each of the Corporation and Fury, respectively, and the reports of the auditor thereon.

In our assessment, we considered several techniques and used a blended approach to determine our opinion on the Transaction. We based this Fairness Opinion upon a number of quantitative and qualitative factors.

Assumptions and Limitations

With the approval and agreement of the Board of Directors, we have relied upon and assumed, without assuming responsibility or liability for independent verification, the completeness, accuracy and fair presentation of all financial information, business plans, financial analyses, forecasts and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Corporation or Fury, their respective subsidiaries, directors, officers, associates, affiliates, consultants, advisors and representatives relating to the Corporation, Fury, their respective subsidiaries, associates and affiliates, and to the Transaction. The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or, subject to the exercise of professional judgment, attempted to verify independently the completeness, accuracy or fair presentation of any such information, data, advice, opinions and representations and assume no responsibility or liability in connection therewith. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Corporation or Homestake under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or the facilities of the Corporation or Homestake. Haywood expresses no opinion as to the results of any future updated economic studies or other third-party analyses that may be released prior to or following completion of the Transaction, or the market reaction to such results. The technical due diligence investigations conducted by Haywood were limited in scope and relied heavily on the experience of management of the Corporation.

With respect to any financial analyses, forecasts, projections, estimates and/or budgets provided to Haywood and used in our analyses, we note that projecting future results of any company is inherently subject to uncertainty. Haywood has assumed, however, that such financial analyses, forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein and that such assumptions reflect the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Corporation and Homestake. We express no view as to such financial analyses, forecasts, projections, estimates and/or budgets or the assumptions on which they were based.

Haywood was not engaged to review any legal, tax or regulatory aspects of the SPA or the IRA, and the Fairness Opinion does not address such matters. In preparing the Fairness Opinion, we have made several assumptions, including that all of the conditions required to complete the Transaction will be met and that the disclosure provided in the Circular with respect to the Corporation, Fury and their respective subsidiaries and affiliates and the Transaction will be accurate in all material respects.

We have relied as to all legal matters relevant to rendering our Fairness Opinion upon the advice of counsel. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Corporation or Fury or on the contemplated benefits of the Transaction.

The Fairness Opinion is rendered as at the date hereof and on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Corporation and Homestake as they are reflected in the information provided by the Corporation and Fury and as they were represented to us in our discussions with management of the Corporation. It should be understood that subsequent developments may affect this Fairness Opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. We are expressing no opinion herein as to the price at which the common shares of the Corporation or Fury will trade at any future time. In our analyses and in connection with the preparation of the Fairness Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Haywood and any party involved in the Transaction.

We have not been asked to prepare and have not prepared a valuation of the Corporation, Fury or Homestake or any of the securities or assets thereof and our opinion should not be construed as a "formal valuation" (within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*). Certain senior officers of the Corporation have represented to Haywood that, to the best of their knowledge, there have been no prior valuations (as that term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) or appraisals of the Corporation or any material property of the Corporation or any of its subsidiaries or affiliates, made in the preceding 24 months and in the possession or control or knowledge of the Corporation, which have not been provided to Haywood.

This Fairness Opinion is provided for the use of the Board of Directors only and may not be disclosed, referred or communicated to, or relied upon by, any third-party without our prior written consent. Haywood consents to the inclusion of this Fairness Opinion in the Circular. This Fairness Opinion is given as of the date hereof and Haywood disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of Haywood after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, Haywood reserves the right to change, modify or withdraw the Fairness Opinion.

Haywood believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Fairness Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Fairness Conclusion

Based on and subject to the foregoing and such other factors as Haywood considered relevant, Haywood is of the opinion that, as of the date hereof, the Consideration to be paid by the Corporation to Fury under the Transaction is fair, from a financial point of view, to the Corporation.

Yours truly,

Haywood Securities Inc.

HAYWOOD SECURITIES INC.