DOLLY VARDEN SILVER CORPORATION
Management's Discussion and Analysis
As of November 21, 2022

This Management Discussion and Analysis ("MD&A") of Dolly Varden Silver Corporation (the "Company" or "Dolly Varden") is for the nine months ended September 30, 2022, and is prepared by management using information available as of November 21, 2022. This MD&A should be read in conjunction with the condensed interim consolidated financial statements of the Company for the nine months ended September 30, 2022 and the audited financial statements of the Company for the year ended December 31, 2021, and the notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. This MD&A complements and supplements, but does not form part of, the Company's condensed interim consolidated financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 18. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

This MD&A is prepared in conformity with National Instrument ("NI") 51-102F1 *Continuous Disclosure Obligations*. All dollar amounts referred to in this MD&A are expressed in Canadian dollars, except where indicated otherwise.

Overview

Dolly Varden Silver Corporation was incorporated under the *Canada Business Corporations Act* in the province of British Columbia (or "BC") on March 4, 2011. The Company's primary business is the acquisition and exploration of properties in Canada. The Company's common shares are for listed for trading on the TSX Venture Exchange under the symbol "DV" on the OTCQX trading platform in the United States under the trading symbol "DOLLF". The Company's head office is located at Suite 3123, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J1. The registered address and records office of the Company is located at Suite 1700 Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

Dolly Varden is a mineral exploration company focused on exploration advancing the Kitsault Valley project ("KV Project"), which includes the Dolly Varden property and the Homestake Ridge property located in the Golden Triangle of British Columbia, Canada, 25 kilometres ("km") by road to tide water. The 163-square km project hosts the high-grade silver and gold resources of Dolly Varden and Homestake Ridge along with the past-producing Dolly Varden and Torbrit silver mines. It is considered to be prospective for hosting further precious metal deposits, being on the same structural and stratigraphic belts that host numerous other, on-trend, high-grade deposits, such as Eskay Creek and Brucejack. The KV Project also contains the Big Bulk property, which is prospective for porphyry and skarn style copper and gold mineralization, similar to other such deposits in the region (Red Mountain, KSM, Red Chris).

The Company presently has two current NI 43-101 *Standards of Disclosure for Mineral Projects* reports published on May 8, 2019 for the Dolly Varden property and January 20, 2022 for the Homestake Ridge property. The KV Project hosts the high-grade silver and gold resources of Dolly Varden and Homestake Ridge with combined resources of 34,731,000 ounces of silver and 165,993 ounces of gold in the Indicated category and 29,277,000 ounces of silver and 816,719 ounces of gold in the Inferred category.

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

Homestake Ridge Project Acquisition

On December 6, 2021, the Company and Fury Gold Mines Ltd. ("Fury") entered into a definitive agreement pursuant to which the Company agreed to acquire all of the outstanding common shares of Fury's wholly owed subsidiary, Homestake Resource Corporation ("HRC"), which holds a 100% interest in the Homestake Ridge property, in exchange for a $5 million cash payment and the issuance of 76,504,590 common shares of the Company for a total value of $65.4 million when the transaction was completed on February 25, 2022. The transaction was approved by the Company's shareholders on February 22, 2022. As at the date of this MD&A, Fury owns approximately 33% of the Company on an issued and outstanding share basis.

Consolidation of the Dolly Varden and Homestake Ridge properties is the next logical step in the advancement of both properties, as it consolidates one mineralized trend, allows for potential co-development opportunities combined with capital and operating economies of scale. It also increases the resources of precious metals of the Company nearly threefold, making the combined project larger and therefore more attractive to be acquired and developed. The KV Project is now among the largest high-grade, undeveloped precious metal assets in western Canada.

Outlook

The 2022 exploration drill program on the Kitsault Valley trend has completed 37,061 m in 108 drill holes. Drilling wrapped up in mid-October, with the majority of assays still pending. Additionally, ground geophysics, surface mapping and prospecting work were completed, evaluating historical prospects and identifying new silver and gold occurrences. In addition to discovery-focused exploration drilling, Dolly Varden Silver has been prioritizing resource expansion and upgrading at the Torbrit/Kitsol, Wolf, Homestake Main and Homestake silver deposits.

Wolf

DV22-300 encountered a wide interval of multi-phase veins and breccia, intersecting **19.85m** (13.90m true width) averaging **584 g/t Ag**, 0.92 %Pb, 0.56% Zn and 0.19 g/t Au, with bonanza grade silver mineralization grading **4,326 g/t Ag**, 4.21% Pb, 1.36% Zn and 1.00 g/t Au over **1.60m** (1.12m true width) within a sulphide and silver sulphosalt matrix vein breccia in the main veined interval (see news dated Sept. 13, 2022). With an increase in vein intensity and silver grades, the Wolf Vein area is emerging as a large system, rivaling our Torbrit Deposit. With an established plunge length of over 500 meters from the historic underground workings, we continued to step out along this trend towards the Kitsol Vein, where we recently announced similar, high-grade mineralization over 1,400 meters away. The increasing gold and base metal content, in addition to the silver, is highly encouraging, as well as the significant widths that are potentially amenable to bulk underground mining techniques. The strength of the mineralizing system, as well as silver and potentially gold appears to be increasing at depth and to the southwest; assays are pending for DV22-316, which encountered strong veining, alteration, brecciation and one occurrence of visible gold over 200m away from DV22-300.

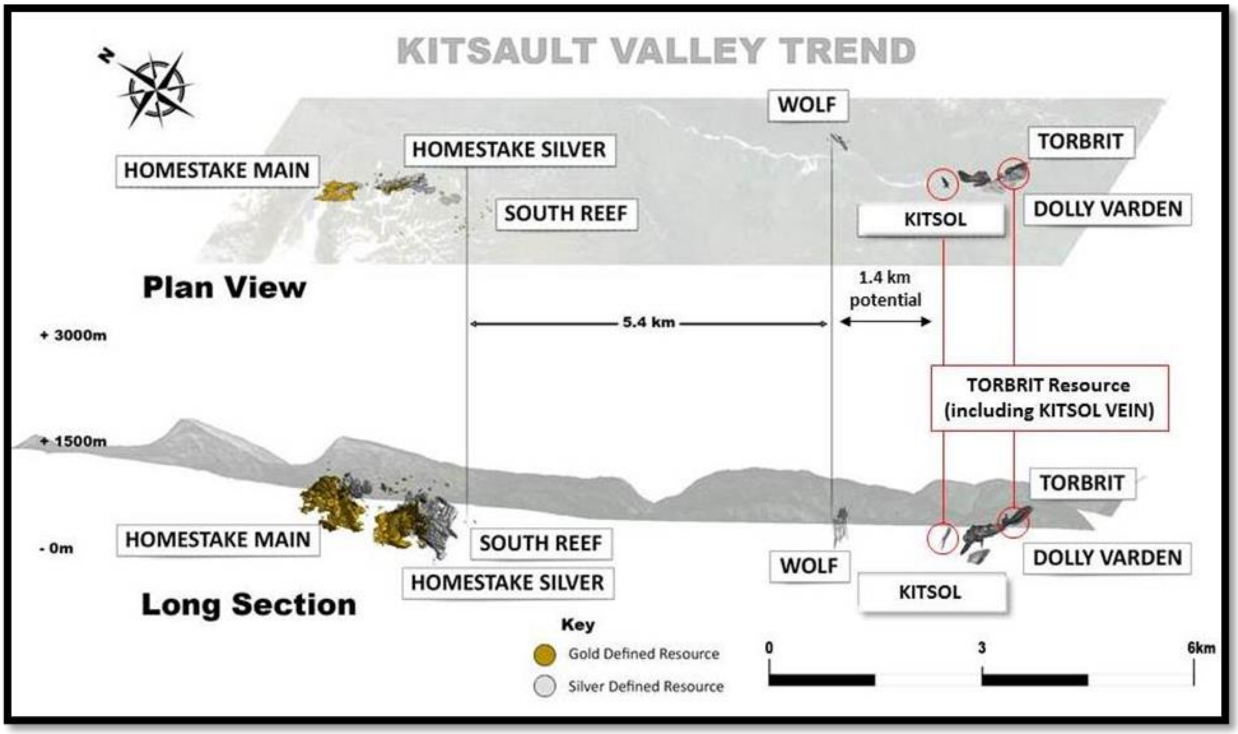
Kitsol/Torbrit

The high-grade, Kitsol vein continued to deliver outstanding, contiguous silver and base metal mineralization, where DV22-291 intersected **12.51m** (8.88 m true width) averaging **442 g/t Ag**, 0.68 per cent lead and 0.42 per cent zinc, including **1,367 g/t Ag** over **1.5m** (1.07 m true width), as an up-dip infill hole from previous high-grade intercepts (see news release dated Nov. 7, 2022). Drilling during the 2022 season at Kitsol has encountered wide, high-grade silver mineralization, commonly with overprinting high-grade vein shoots within wide vein sets. Previously reported stepout drill hole DV22-283, which intersected **50.18m** (approximately 30 m true width) averaging **414 g/t Ag** (see news release dated Aug. 10, 2022), suggests multiple high-grade, steeply plunging (yet wide) silver shoots that extend to surface, as demonstrated by up-dip hole DV22-298, which intersected **21.55m** (10.78 m true width) grading **372 g/t Ag**. Additional results from step out drill holes testing deeper down-plunge mineralization from DV22-283 at the Kitsol vein are pending.

Homestake Ridge

Property wide exploration, including 50% of the total meters drilled during the 2022 exploration season has been focused on the newly acquired Homestake deposits, assays from over 50 drill holes are pending. Both infill and expansion drilling in and around the Homestake Main and Homestake silver deposits have increased the confidence in the mineralization model and have intercepted mineralization outside of the current mineral resource model.

Dolly Varden Silver also welcomed a new institutional shareholder, which now owns approximately 7.5% of the Company.



2022 Highlights

- On November 21, 2022 the Company reported additional; results from exploration step-out drilling at Wolf include:

  - DV22-311: 412 g/t Ag over 12.80 meters (5.38 meters true width) including 2.15 meters (0.90 meters true width) grading 1,646 g/t Ag, 2.38% Pb, 3.10% Zn and 0.10 g/t Au
  - DV22-316: 551 g/t Ag over 9.80 meters (4.90 meters true width) including 3.60 meters (1.8m true width) grading 1,049 g/t Ag, 1.19% Pb and 0.29% Zn

  Drill hole DV22-316 intersected wide, high-grade mineralization in multiple vein and breccia phases at Wolf, over 200 meters down plunge from previously reported drill hole DV22-300 that intersected 19.85m (13.90m true width) averaging 584 g/t Ag, 0.92 %Pb, 0.56% Zn and 0.19 g/t Au (news release dated September 13, 2022). In addition, drill hole DV22-311 intersected similar style mineralization grading 412 g/t Ag, 0.82% Pb and 2.14% Zn over 12.80m (5.38m true width) located 400m down dip of mineralization in DV22-300.

- On November 07, 2022 the Company reported results for 18 drill holes from the Torbrit and Kistol deposits from expansion and infill drilling. The high-grade, Kitsol Vein continued to deliver outstanding, contiguous silver and base metal mineralization, where DV22-291 intersected **12.51m** (8.88m true width) averaging **442 g/t Ag, 0.68% Pb and 0.42% Zn**, including of **1,367 g/t Ag over 1.50m** (1.07m true width), as an up-dip infill hole from previous high-grade intercepts.
  Highlights include:

  - DV22-289: 979 g/t Ag over 0.49 meters true width, step out at Torbrit Main
  - DV22-291: 442 g/t Ag over 8.88 meters true width, infill at Kitsol
  - DV22-298: 372 g/t Ag over 10.78 meters true width, up-dip extension at Kitsol
  - DV22-308: 297 g/t Ag over 6.59 meters true width, step out at Torbrit Main
  - DV22-312: 585 g/t Ag over 3.30 meters true width, step out at Torbrit Main

- On September 13, 2022, the Company reported results for 6 drill holes from the Wolf exploration target including step out drill hole DV22-300, located 55m down plunge from DV21-273. Drill hole DV22-300 encountered a wide interval of multi-phase veins and breccia, intersecting **19.85m (13.90m true width) averaging 584 g/t Ag, 0.92 %Pb, 0.56% Zn and 0.19 g/t Au**, with bonanza grade silver mineralization grading **4,326 g/t Ag, 4.21% Pb, 1.36% Zn and 1.00 g/t Au over 1.60m** (1.12m true width) within a sulphide and silver sulphosalt matrix vein breccia in the main veined interval.

- September 07, 2022, the Company announces an expanded drill program for 2022 with the addition of a fourth drill rig.

- On August 10, 2022, the Company released results from resource expansion drilling at the Kitsol Vein, part of the Torbrit mineral resource area, that indicate the plunge of the higher grade silver mineralization continues along a southwest direction. Highlights from step out drill hole DV22-283 include:

  - 50.18m (~30.0m true width) averaging 414 g/t Ag
  - 7.15m (4.29m true width) averaging 646 g/t Ag
  - 11.74m (7.04m true width) averaging 658 g/t Ag
  - 5.34m (3.20m true width) averaging 801 g/t Ag

- August 08, 2022, the Company appointed Rob van Egmond, P.Geo. as Vice-President of Exploration.

- On July 13, 2022, the Company announces that three drills have cored over 7,700 meters in 27 holes of the planned 99 holes. Initial work has focussed on stepping out from wide, high grade silver intercepts, particularly at the Kitsol Vein and Wolf Mine. Based on visual indicators of mineralization and veining, drills have continued to step-out in these areas, with the deepest hole at Wolf extended to 720 meters long and 400 meters at Kitsol at the Torbrit Deposit. Assays are pending for this drilling, however lab turnaround times are expected to be much improved during the 2022 season.

- On March 31, 2022, the Company raised $11.5 million flow-through financing through issuance of 11,274,400 common shares at $1.02 per common share. Hecla exercised its anti-dilution right in respect of this financing and acquired 1,742,471 common shares of the Company at a price per common share of $0.86 for gross proceeds of $1,498,526.

- On February 25, 2022, Ivan Bebek joined Dolly Varden as an advisor.

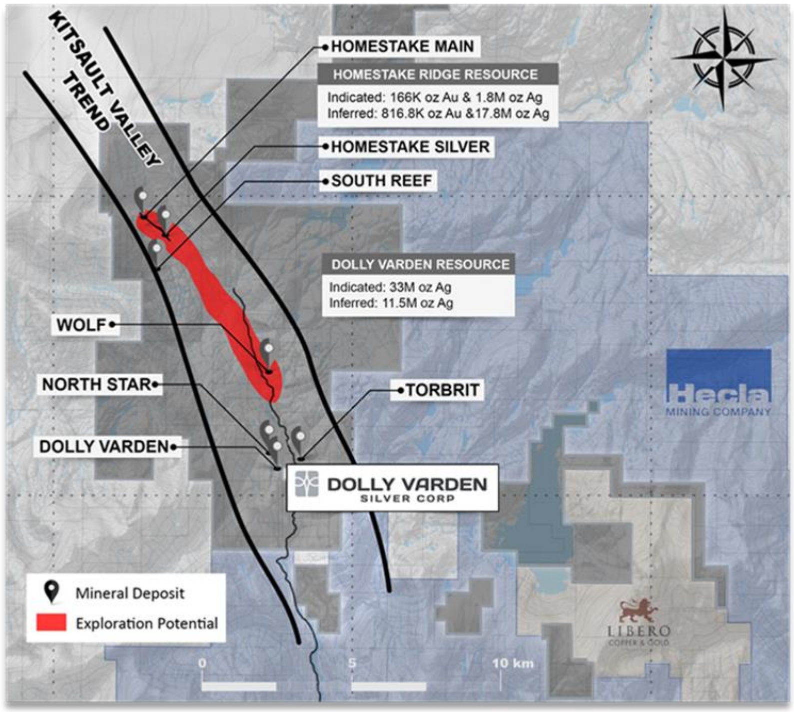
- On February 25, 2022, Tim Clark, the Chief Executive Officer of Fury, and Michael Henrichsen, the Senior Vice President, Exploration of Fury, joined the Dolly Varden Board of Directors after Thomas Wharton, Don Birak and Annette Cusworth stepped down from the Board of Directors.

- On February 25, 2022, the Company acquired the Homestake Ridge property from Fury and closed a $5.3 million financing with Hecla Canada Ltd. ("Hecla") pursuant to their Investor Rights Agreement, as defined later in this document.

- On January 31, 2022, the Company released results from resource infill and expansion drilling in and around the Torbrit deposit, including the Kitsol Vein ("Kitsol"). Silver mineralization was encountered in most areas tested, usually with significant accessory zinc and lead values and commonly over widths suggesting potential amenably to bulk underground mining. Highlights include:

  - DV21-274: 12.28 m true width averaging 354 grams per tonne ("g/t") Ag at Kitsol;
  - DV21-275: 18.27 m true width averaging 230 g/t Ag at Kitsol;
  - DV21-275: 0.70 m drilled length averaging 1,220 g/t Ag at Torbrit North Zone;
  - DV21-277: 16.00 m drilled length averaging 212 g/t Ag (including 4.70 m of 507 g/t Ag) at Torbrit: and
  - DV21-278: 5.10 m drilled length averaging 364 g/t Ag at Torbrit Main.

Combined KV Project with deposits of Dolly Varden and Homestake Ridge properties:



Mineral Properties: KV Project

The KV Project contains the Dolly Varden property with silver resources, the newly acquired Homestake Ridge property with gold, silver, copper and lead resources, and the Big Bulk property, a copper-gold porphyry system. Together the consolidated KV Project creates one large, high grade precious metals project comprising 16,300 hectares, which is 100% held by Dolly Varden. This provides the Company with economies of scale and exploration upside potential in the silver and gold-rich Dolly Varden Mining Camp, north of Alice Arm, within the regionally important and prolific Stewart Complex in northwestern BC.

Dolly Varden Property

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

Since acquiring the property in 2011, fieldwork was dedicated to confirming and expanding the known mineralization near the historic deposits to upgrade into a compliant and current mineral resource estimate ("Current Mineral Resource Estimate") for the Wolf, Dolly Varden, Torbrit and North Star deposits. The Company's work consisted of surface and underground mapping, underground rehabilitation, detailed sampling, data compilation from reliable historic records and over 17,000 metres of core drilling. This data was used to complete an initial Mineral Resource Estimate in 2015.

During the years ended December 31, 2011 to 2018, the Company purchased the Dolly Varden property, consisting of fee simple titles, mineral claims and mineral tenures in respect of certain lands located in the Kitsault area of BC. The Dolly Varden property is subject to a 2% net smelter return royalty ("NSR") of which one-half (or 1%) of the NSR can be repurchased by the Company for $2,750,000 at any time.

During the year ended December 31, 2020, the Company acquired surface rights and fee simple lands where the exploration camp, offices, logging and sampling facilities are situated. The parcel of land is located at waterfront for shoreline access, current core storage areas and has related property water rights. The total property package had been previously leased annually by the Company from private owners. The transaction involved a payment of $153,000 in cash and issuance of 192,061 common shares of the Company with a value of $149,808 for a total cost of $302,808.

The Dolly Varden property 2021 exploration program is described below.

Homestake Ridge Property

On February 25, 2022, Dolly Varden acquired the Homestake Ridge property. The Homestake Ridge property consists of a 7,500-hectare project area hosting three known deposits that make up the Current Mineral Resource Estimate. Mineralization in the main deposits is interpreted to be structurally controlled epithermal veins and breccia systems within the prospective Jurassic Hazelton, the formation hosting the deposits in the Dolly Varden property area. In addition to epithermal style mineralization, Homestake Ridge also hosts stratabound volcanogenic style mineralization and intrusion related alteration and stock work veining.

Gold mineralization was first discovered at the Homestake Ridge Project over 100 years ago with several exploration adits and trenches exposing vein and breccia style mineralization at surface. Mineralization was of significant grade and thickness that the property has been the subject of numerous exploration programs since the 1920s, including prospecting, mapping, soil sampling, exploration drilling and airborne geophysics that have advanced the project and defined the trend of structurally controlled mineralization within the northern continuation of the Jurassic Hazelton formation from the Dolly Varden project. The 15 kilometres of prospective Hazelton formation on the combined Homestake Ridge and Dolly Varden properties has been the focus for historical exploration.

Since 2008, significant diamond drilling at Homestake Ridge has led to definition of a current NI 43-101-compliant Mineral Resource Estimate that is summarized in the **Homestake Ridge Project Acquisition** section. The advanced stage project has had a previous economic analysis completed on it in 2020. The exploration potential along the Homestake Ridge trend was tested with deeper historic drilling near the mineral resource and indicates the mineralization continues to depth and along strike. Recent analysis of historic airborne geophysics data from the Homestake Project has defined exploration targets along trend of Homestake deposits to the south.

The 5.4 km distance between the deposits at Homestake Ridge and the deposits at Dolly Varden are, in the Company's opinion, prospective for further discovery of silver and gold mineralization as the area is on a magnetic, stratigraphic and anomalous silver and gold geochemical trend within the Kitsault Valley. Geophysics interpretation has defined several target zones below a sediment cover to test along this trend in future exploration.

Mineral Resource Estimates of Dolly Varden and Homestake Ridge Properties

Dolly Varden Resource Estimate

An updated NI 43-101-compliant Mineral Resource Estimate was released on May 8, 2019 prior to the exploration season. The updated Mineral Resource Estimate was completed by Steven Nicholls, MAIG and Andrew J. Turner, P.Geo. of APEX Geosciences Ltd., independent geological consultants and Qualified Persons (as defined in NI 43-101) and covered the four known deposits on the Dolly Varden property. The data used was up to the end of the 2018 drilling campaign.

Category*	Deposit	Cut-off** (g/t Ag)	Tonnes	Silver (g/t)	Contained oz*** Ag
Indicated	Torbrit	150	2,623,000	296.8	25,025,000
	Dolly Varden	150	156,000	414.2	2,078,000
	Wolf	150	402,000	296.6	3,834,000
	North Star	150	236,000	262.8	1,994,000
	Total Indicated		3,417,000	299.8	32,931,000
Inferred	Torbrit	150	1,185,000	278.0	10,588,000
	Dolly Varden	150	86,000	271.5	754,000
	Wolf	150	9,500	230.6	70,000
	North Star	150	4,800	223.6	35,000
	Total Inferred		1,285,300	277.0	11,447,000

* Indicated and Inferred Mineral Resources are not Mineral Reserves. Mineral Resources that 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.

** A 150 g/t Ag cut-off was chosen to reflect conceptual underground mining and processing cut-off grade.

*** Contained oz may not add due to rounding.

Please refer to the Company's continuous disclosure documents available on SEDAR for more detailed technical information regarding the Mineral Resource Estimate, which is subject to the qualification statements and notes set forth in the final report posted on www.sedar.com.

Homestake Ridge Resource Estimate

Dolly Varden has added Mineral Resources through the acquisition of the Homestake Ridge property and released a Current Mineral Resource Estimate. validation dated January 20, 2022. This Current Mineral Resource Estimate for the Homestake Ridge deposits was completed by David M.R. Stone, P.Eng. of Minfill Services, and Andrew J. Turner, P.Geo. and Rachelle Hough, P.Geo., both of APEX Geosciences Ltd., independent geological consultants and Qualified Persons (as defined in NI 43-101) and covered the three known deposits of Homestake Ridge. The data used was up to the end of the 2017 drilling campaign.

Classification And Zone	Tonnes (Mt)	Average Grade				Contained Metal			
		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 NI 43-101, 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/m^3 to 3.03 t/m^3 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.Geo., 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.*

Please refer to the Company's continuous disclosure documents available on SEDAR for more detailed technical information regarding the Mineral Resource Estimate, which is subject to the qualification statements and notes set forth in the final report posted on www.sedar.com.

Preliminary Metallurgical Testing

Results of the first phase of the preliminary metallurgical testing for the Dolly Varden property was 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, BC. 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 test work, please refer to the Company's disclosure documents.

2022 Exploration Program

The 2022 Exploration program for the combined Dolly Varden and Homestake Ridge properties that now make up the KV Project has been completed and included diamond drilling, ground based geophysical surveys, geological mapping and surface sampling, airborne LiDAR survey on Homestake Ridge ground, metallurgical sample acquisition and 3D geological modelling of the consolidated 15km trend of prospective Hazelton Group rocks that hosts the 7 deposits making up the Current Mineral Resource Estimate. The focus of the exploration drilling portion of the 2022 program is along the 15km strike length of the Hazelton formation where the 7 deposits of the KV Project are hosted. The highest priority targets to be tested are within the 5.5km distance between the deposits at Dolly Varden and the deposits at Homestake Ridge as well as the 1.3km between deposits at Dolly Varden. This area has seen little exploration due to a wedge of upper Hazelton sedimentary rocks that cover the center of the valley. Drilling in 2021 near the Wolf deposit encountered strong alteration and silver mineralization extending underneath the sediment wedge cover. This discovery opens up the potential along the trend to discover additional silver and gold mineralization. Geophysical modelling completed during the early part of 2022 has outlined 3 resistivity and chargeability targets situated at the interpreted base of the sediment cover that will be tested during the 2022 exploration drilling.

The near deposit portion of the drilling on the Dolly Varden property was centered on the Torbrit deposit to expand out the mineralization in areas that remained open. Over 80% of the Torbrit deposit is already in the Indicated category so little infill is planned for 2022 drilling.

Wolf extension drilling has extended the mineralized vein over a 500m length and to a depth of approximately 500m. Widely spaced (55m to 207m spacing) exploration drill holes were completed, and results are pending for the remaining mineralized zones intersected down plunge. T

At Homestake Ridge the purpose of the near deposit drilling is to expand mineralization along strike and down-dip as well upgrading approximately 50% of the Inferred Resources to Indicated and Measured categories with infill drilling. The infill drilling at Homestake Ridge was initiated first to gain more detailed geological and structural information of the newly acquired Homestake Ridge gold and silver deposits. This information can then be used to better target step out drilling on the plunge of higher-grade gold and silver mineralization.

Drilling commenced in early June at lower elevation Dolly Varden resource area with three drills positioned at Torbrit, Kitsol and Wolf. Torbrit and Kitsol drilling focused on near deposit expansion and infill. The drilling near Wolf is designed to expand on the 2021 exploration discovery of the alteration and mineralization below the sediment wedge.

Drilling commenced at the Homestake Main gold deposit after the end of 2nd quarter at the beginning of July with infill drilling.

After successful drilling at Wolf a fourth drill was added at the end of August to continue the step out holes along the Wolf vein southwest extension.

The 2022 drilling program was completed by the end of the first week of October and all 4 drills were mobilised out by barge on October 22nd. A total of 37,061.50m were drilled in 108 drill holes. Meterage dedicated to each portion of the property was split 50/50 between Dolly Varden (DV) and Homestake Ridge (HMR) as shown in table below.

Project and type	metres	
DV - Resource	6,424.35	39% DV
DV - Exploration	12,189.80	61% DV
DV – sub-total	**18,614.15**	**50% of Total**
HMR - Resource	11,337.50	65% HMR
HMR - Exploration	7,110.00	35% HMR
HMR – sub-total	**18,447.50**	**50% of Total**
Total 2022 Drilling	**37,061.50**	

Total exploration costs for the nine months ended June 30, 2022 were $15,262,897, of which approximately half relates to the Dolly Varden property and half relates to the Homestake Ridge Property.

The 2022 Exploration Highlights above show that both the Kitsol Vein and Wolf Vein are open to expansion of the high-grade silver mineralization that form steep west plunging zones in each of the veins. At Wolf in particular, the results indicate that mineralization and alteration continue below the sediment cover in the centre of Kitsault Valley. Silver grades and vein thicknesses are potentially increasing towards the southwest on each zone. Both the Kitsol and Wolf Veins appear to be structurally controlled along southwest trending structures. Both are multi-phase, epithermal vein/breccia-hosted, high-grade silver systems. Mineralization consists of multiple, overlapping epithermal vein and brecciation events along a southwest/northeast striking, steep westerly dipping zone. Silver mineralization includes native silver, pyrargyrite, tennantite, argentite and argentiferous galena hosted in highly siliceous breccias and veins.

Infill and expansion drilling at Homestake Main confirmed the presence of gold and copper bearing breccia systems that make up the current Mineral Resource. Step out drilling and lesser infill drilling at Homestake Silver encountered mineralization to depth and within the resource area. In 2022, oriented core was drilled at all deposits and exploration sites to aid in the modelling of the systems at Homestake Ridge. Geological mapping at Homestake Ridge will be used to re-model the mineralization system.

<u>2021 Exploration Program</u>

The Company mobilized its exploration camp at the Dolly Varden property in late June and into July. The focus of the drilling was on step out drilling and infilling areas of high percentage Inferred Mineral Resources to upgrade to Indicated within the Torbrit silver mine area. Additionally, exploration drilling was completed to test structures and stratigraphy along the volcanogenic-related stratigraphy that hosts the Torbrit deposit, as well as exploration on the western portion of the property covering the "Gold Belt" target.

The Company initiated the 2021 exploration drilling program on July 6 and drilling was completed by October 7. A total of 10,506 metres in 31 diamond drill holes were drilled; 21 holes were completed in the Torbrit area and 10 reconnaissance and exploration drill holes were drilled, testing multiple areas on the property.

Highlights from the 2021 drilling program at the Torbrit area include:

- DV21-274: 12.28 m true width averaging 354 g/t Ag at Kitsol;
- DV21-275: 18.27 m true width averaging 230 g/t Ag at Kitsol;
- DV21-275: 0.70 m drilled length averaging 1,220 g/t Ag at Torbrit North Zone;
- DV21-277: 16.00 m drilled length averaging 212 g/t Ag (including 4.70 m of 507 g/t Ag) at Torbrit; and
- DV21-278: 5.10 m drilled length averaging 364 g/t Ag at Torbrit Main.

Note: The true width of intercepts is estimated to be 80-95% of the core length (metres) 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%.

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

In addition, reconnaissance drilling completed in the western Gold Belt encountered Intrusion related epithermal breccias and quartz stockwork veining with strong pyrite with pathfinder elements, such as bismuth, copper, lead and zinc, as well as anomalous gold up to 1.15 g/t Au. The broad zones of high temperature quartz-sericite-pyrite alteration with polymetallic quartz-carbonate structures appear similar to those that host high-grade zones and shoots at the Big Missouri, Premier style deposits located north of Dolly Varden. Within the western gold belt, the alteration and quartz stockwork in exploration drill holes DV21-267, -268 and -269 showed consistent anomalous gold mineralization surrounding an intrusive at depth. Highlights from the western Gold Belt include:

- DV21-267, -268 and -269 intercepted substantial intervals of gold and copper mineralization from the western gold zone, including DV21-269: 0.15 g/t Au over 303.00 m drill length.

Geological mapping for structure and lithology was also carried out throughout the summer, and results will aid in future targeting.

Modelling and Program Planning

The data from the 2021 exploration program combined with previous years' work has been integrated into the Dolly Varden property geological model used to plan for the 2022 exploration program and future updated Mineral Resource Estimates.

Other Relevant Exploration History

The Company has been actively exploring and expanding its claim portfolio since 2011. On May 8, 2019, the Company updated and published its NI 43-101 report using data and information up to and including the 2018 drilling program. Since the 2019 Current Mineral Resource Estimate additional metres have been drilled. Additionally, the 2019 drilling program consisted of 44 diamond drill holes for 11,863 metres and the 2020 drill program consisted of 11,396 metres in 40 diamond drill holes along with the drilling completed in 2021, noted previously.

Qualified Person

Robert van Egmond, P.Geo., Vice-President Exploration, a Qualified Person, as defined by NI 43-101, prepared and approved the scientific and technical information contained in this MD&A.

Results of Operations

For the nine months ended September 30, 2022

The total comprehensive loss for the nine months ended September 30, 2022 was $16,663,335, as compared to $6,714,049 in the same period last year, with the $9,949,286, or 148%, change primarily attributed to increases in exploration expenses of $9,990,534, management fees of $483,353, marketing and communications of $518,244 and share-based payments of $376,032. These increases were offset by an increase in the recovery of the flow-through premium of $1,525,223.

Exploration and evaluation expenditures for the nine months ended September 30, 2022 were $15,262,897 (2021 - $5,272,363). Exploration and evaluation expenditures were higher for the nine months ended September 30, 2022 primarily due to a more aggressive drill program with a target of over 35,000 meters in 2022 compared to 10,506 actual metres for 2021. The exploration expense increase was also influenced by higher costs than last year generally, especially costs related to fuel and drilling. Drilling costs during nine months ended September 30, 2022 were $8,873,903 compared to $2,203,330 in the same period last year.

Total general and administration, calculated as the operating expenses excluding exploration, for the current period amounted to $3,944,168 (2021 - $2,367,123). This $1,577,045 increase was significantly impacted by an increase in share-based payments expense, management fees, directors' fees and marketing and communications costs:

- Share-based payments expense increased to $1,477,438 (2021 - $1,101,406) during the nine months ended September 30, 2022, as the options outstanding increased by 4,925,000 stock options having a two-year vesting period (2021 – 2,775,000 had a one-year vesting), which resulted in an increase in share-based payments expense of $376,032. Share-based payments expense is recognized over the vesting period.
- Expenditures for marketing and communications of $901,521 (2021 - $383,277) increased by $518,244 primarily due to more communication driven by Homestake property acquisition, increased marketing efforts and the related special general meeting held in February 2022
- Management fees of $763,396 (2021 - $280,043) were $483,353 higher primarily due to management bonuses of $400,000 paid during the nine months ended September 30, 2022 compared to a $30,000 bonus paid during nine months ended September 30, 2021. Management fees were also reviewed and increased effective April 1, 2022.
- Directors' fees of $100,532 (2021 - $43,205) were $57,327 higher primarily due to fluctuations in the valuation of deferred share units ("DSUs") outstanding and an increase in director fee rates. During the period ended September 30, 2022, there was a $8,688 decrease in fair value, whereas there was a decrease in fair value of $24,368 during the nine months ended September 30, 2021. Directors' fees were increased in March 2022 after a third part compensation report recommendations were implemented.

During the nine months ended September 30, 2022, the Company recognized a recovery on the flow-through share premium of $2,389,553 (2021 - $864,330). Recovery of flow-through share premium is typically related to the size of the financing and recognized in proportion to eligible exploration expenditures. Exploration expenditures were higher in 2022 and therefore the recovery was also higher year to date in 2022 than in the same period last year.

For the three months ended September 30, 2022

The total comprehensive loss for the three months ended September 30, 2022 was $9,966,483, as compared to $3,833,598 in the same period last year, with the $6,132,885 change primarily attributed to a significant increases in exploration and evaluation costs of $7,068,153 and a $115,501 increase in marketing and communications which was offset by a $1,071,523 higher recovery of flow-though share program premium compared to prior period.

Exploration and evaluation expenditures for the three months ended September 30, 2022 were $10,763,732 (2021 - $3,695,579). Exploration and evaluation expenditures were $7,068,153 higher for the three months ended September 30, 2022 when compared to the same period in 2021 primarily due to more aggressive drill program with a drill plan over 35,000 meters this year compared to 10,506 actual metres last year. The exploration expense also experienced higher costs than last year generally, especially related to fuel and drilling related activities.

Total general and administration expenses, calculated as the operating expenses not directly related to exploration, for the current period amounted to $952,114 (2021 - $733,153). This $218,961 increase was primarily impacted by a $115,501 increase in marketing and communication expenses, a $39,553 increase in management fees, and $39,741 increase in travel and accommodation expenses, relative to the same period last year:

- Management fees of $127,896 (2021 - $88,343) were $39,553 higher due to an increase management fees.
- Marketing and communications expenses of $262,777 (2021 - $147,276) increased during the three months ended September 30, 2022 relative to the same period last year was primarily due to more communication driven by the Homestake property acquisition and a general increase in marketing activity.
- Travel and accommodation expenses of $44,180 (2021 - $4,439) increased during the three months ended September 30, 2022 relative to the same period last year because 2021 travel was restricted with COVID whereas 2022 had more travel and conferences attended.

During the three months ended September 30, 2022, the Company recognized a recovery on the flow-through share premium of $1,653,312 (2021 - $581,789). Recovery of flow-through share premium is typically related to the size of the financing and recognized in proportion to eligible exploration expenditures. Exploration expenditures were higher during the three months ended September 30, 2022 and therefore the recovery was also higher than in the same period last year.

Interest and other income was higher in the current period at $96,051 (2021 - $13,345), primarily due to higher cash balances and higher interest rates which resulted in higher earned interest than during the three months ended September 30, 2021.

Summary of Quarterly Results

The following table summarizes selected quarterly financial information derived from the Company's condensed interim financial statements (for September 30, 2022, condensed interim consolidated financial statements) for each of the eight most recently completed fiscal quarters:

As at and for the quarter ended	September 30, 2022 (Q3/22) $	June 30, 2022 (Q2/22) $	March 31, 2022 (Q1/22) $	December 31, 2021 (Q4/21) $
Total assets	82,979,935	94,215,145	97,428,217	20,193,316
Exploration and evaluation assets	70,906,785	70,906,785	70,904,044	4,029,234
Equipment	266,818	283,066	254,225	246,144
Working capital	9,524,021	19,177,869	23,162,355	15,483,265
Shareholders' equity	80,856,624	90,526,720	94,479,624	19,849,643
Interest and other income	96,051	58,312	11,714	12,534
Total revenue	-	-	-	-
Operating loss	(11,715,846)	(4,981,986)	(2,509,232)	(1,660,396)
Total loss and comprehensive loss	(9,966,483)	(4,235,048)	(2,461,803)	(1,489,611)
Basic and fully diluted loss per share	(0.04)	(0.02)	(0.01)	(0.01)

As at and for the quarter ended	September 30, 2021 (Q3/21) $	June 30, 2021 (Q2/21) $	March 31, 2021 (Q1/21) $	December 31, 2020 (Q4/20) $
Total assets	22,282,178	26,237,954	27,310,293	28,072,373
Exploration and evaluation assets	4,029,234	4,029,234	4,029,234	4,029,234
Equipment	246,549	239,789	79,812	83,599
Working capital	16,789,972	20,219,100	21,760,422	22,453,065
Shareholders' equity	21,156,755	24,579,123	25,960,468	26,656,898
Interest income	13,345	26,484	21,279	22,980
Total revenue	-	-	-	-
Operating loss	(4,428,732)	(1,987,002)	(1,223,752)	(1,869,425)
Total loss and comprehensive loss	(3,833,598)	(1,724,338)	(1,156,112)	(1,801,799)
Basic and fully diluted loss per share	(0.03)	(0.01)	(0.01)	(0.02)

The Company had a loss of $9,966,483 for the three months ended September 30, 2022, $4,235,048 in Q2/22, $2,461,803 in Q1/22 and $1,489,611 in Q4/21 versus a loss of $4,428,732 in Q3/21. This 2022 quarterly general spending trend was comparable to prior years as the exploration is at maximum activity for all of Q3/22. The mobilization for the drilling program started in May for 2021 and 2022 but the expected expenditures for 2022 are higher than in the previous years because there is a higher exploration budget in 2022 relative to 2021.

The Company completed its 2022 exploration program in October 2022 and the spending is higher in 2022 relative to 2021 primarily due to the acquisition of the Homestake Ridge property and a larger exploration program planned than in each of the last two years. Costs are also expected to be generally higher than in prior years due to increased fuel costs and general inflation.

In 2021 capital assets were reduced with spending on the exploration program and no new capital infusions to offset the spending. In the first quarter of 2022, the Company acquired the Homestake Ridge property and closed a private placement financing that increased the total assets significantly.

The Company's drill program typically operates from May to October each year. As such, the exploration related expenses are historically highest during the quarters ending in September. The exploration costs were higher in Q4/20 relative Q4/21, as two drill rigs were utilized at the end of the season in 2020 to help adjust for the late start and the relatively bad weather during the 2020 program.

Fluctuations in exploration expenses materially impact the changes to operating losses in all periods, as exploration costs as a percentage of total expenses ranged from 24% to 84%. Exploration costs in millions, excluding the benefit of the BC Mineral Exploration Tax Credit ("BC METC"), were: Q4/20 $1.37M, Q1/21 $0.413M, Q2/21 $1.16M, Q3/21 $3.7M, Q4/21 $1.0M, Q1/22 $0.44M, Q2/22 $4.06M, and Q3/22 $10.7M.

Liquidity and Capital Resources

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

Cash and Financial Condition

As of September 30, 2022, the Company had a working capital surplus of $9,524,021 (December 31, 2021 - $15,483,265), which includes the liability on flow-through share issuances of $nil (December 31, 2021 - $134,673). The Company's working capital needs fluctuate based on exploration program requirements, which place variable demands on the Company's resources and timing of expenditures. Demand on capital is expected to increase during summer months, as drilling and exploration activity typically begins in May and ends in October.

During the nine months ended September 30, 2022, the Company used $16,281,002 (2021 - $6,121,931) of cash in operating activities. The Company had a loss of $16,663,335 (2021 - $6,714,049) from operations. Items not affecting cash totaling $-871,009 (2021 - $236,342) were added back to the loss mainly due to share-based payments, revaluation of DSUs and the recovery on flow-through premium. The Company had changes in non-cash working capital items totaling $1,253,342 (2021 - $355,776) that were added back to the loss. The change in cash from operations between periods was most significantly impacted by the higher loss for the period as well as $151,307 increase in prepaid expenses (2021 – $83,410) and $1,918,596 increase in accounts payable and accrued liabilities (in 2021 – $598,647) during the period ended September 30, 2022.

During the nine months ended September 30, 2022, the Company acquired equipment for $66,065 (2021 – $186,585) and incurred acquisition of exploration and evaluation assets cash expenditures of $6,168,560.

During the nine months ended September 30, 2022 and 2021, the Company received cash proceeds of $254,063 (2021 - $112,500) from the exercise of 706,250 stock options. It also received proceeds from private placements for $17,416,705 (2021 – nil).

Outstanding Share Data

The Company has unlimited authorized common shares, and the issued and outstanding share capital is as follows:

As at	The date of this MD&A	September 30, 2022
Common shares issued and outstanding	230,612,954	230,612,954
Common share purchase warrants	-	-
Brokers' compensation warrants	-	-
Stock options	11,291,250	11,291,250

Summary details of 2022 share issuances are as follows:

- During the nine months ended September 30, 2022, the Company issued 706,250 common shares pursuant to the exercise of stock options for proceeds of $254,063.
- On December 6, 2021, the Company and Fury entered into a purchase agreement pursuant to which the Company has agreed to acquire from Fury, indirectly through the acquisition of Fury's wholly owned subsidiary HRC, a 100% interest in the Homestake Ridge gold-silver project, located adjacent to the Company's Dolly Varden project in British Columbia. As consideration for all of the issued and outstanding shares of HRC, the Company agreed to pay to Fury a $5,000,000 cash payment and to issue to Fury 76,504,591 common shares. Upon closing of the transaction, Fury owned approximately 35% of all shares issued and outstanding of the Company. The transaction completed on February 25, 2022.
- In connection with the acquisition of HRC, the Company issued 402,815 common shares in the capital of the Company to Haywood Securities Inc. ("Haywood") pursuant to a financial advisory agreement between Haywood and the Company. The common shares have a closing price of $0.84 per common share for an aggregate value of $338,365.
- On February 25, 2022, pursuant to the ancillary rights agreement between Hecla and the Company dated September 4, 2012, Hecla exercised its anti-dilution right in respect of the share offerings related to the HRC acquisition and acquired 9,048,539 common shares of the Company at a price of approximately $0.59 per common share for aggregate proceeds to Dolly Varden of $5,322,351. Hecla has also exercised its anti-dilution right with respect to the Company's previously announced issuance of common shares to Haywood completed on March 11, 2022, to acquire 46,027 additional common shares at a price per common share of $0.5896, being the issuance price of the common shares issued to Haywood, for additional proceeds of $27,138.
- On March 31, 2022, the Company closed a private placement and raised gross proceeds of $11,499,888 through the sale of 11,274,400 flow-shares common shares at a price of $1.02 per common share. The Company recorded a flow-through premium liability of $2,254,800 for the difference between the fair value of its common shares and the issuance price of its flow-through common shares. Hecla exercised its anti-dilution right in respect to this offering to acquire a further 1,742,472 common shares of the Company at a price per common share of $0.86 for gross proceeds of $1,498,526.
- On February 25, 2022, the Company granted 3,975,000 stock options with an exercise price of $0.79 per common share and an expiry of 5 years.
- On August 19, 2022, the Company granted 950,000 stock options with an exercise price of $0.79 per common share and an expiry of 5 years.

<u>Transactions with Related Parties</u>

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

The Company incurred the following transactions with key management personnel:

		For the three Months Ended		For the nine Months Ended	
	Expense category	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Tom Wharton, former Director	Directors' fees	$ -	$ 4,500	$ 4,500	$ 12,750
Donald Birak, former Director	Directors' fees	-	4,950	4,950	14,025
James Sabala, Director	Directors' fees	9,000	4,500	22,500	12,750
Annette Cusworth, former Director	Directors' fees	-	4,500	4,500	12,750
Darren Devine, Chair and Director	Directors' fees	14,450	5,400	34,300	15,300
Michael Henrichsen, Director	Directors' fees	8,500	-	18,714	-
Tim Clark, Director	Directors' fees	8,450	-	18,614	-
Linus Geological Ltd. (2)	Exploration expense	30,000	22,500	135,000	87,500
S2K Capital Corp (1)	Management fees	75,000	72,000	547,000	234,000
Fehr & Associates (3)	Management fees	52,500	36,000	216,000	102,000
Donald Birak, Director	Consulting fees	-	-	-	1,536
Ann Fehr, CFO	Share-based payments	19,396	31,381	106,960	109,556
Darren Devine, Chair and Director	Share-based payments	16,164	27,028	89,388	95,167
Shawn Khunkhun, President, CEO and Director	Share-based payments	32,327	80,633	190,376	280,801
Robert McLeod, Director and Technical Advisor	Share-based payments	32,327	25,278	169,161	93,175
Tom Wharton, former Director	Share-based payments	12,931	20,568	71,231	71,442
Donald Birak, former Director	Share-based payments	12,931	20,568	71,231	71,442
James Sabala, Director	Share-based payments	12,931	20,568	71,231	71,442
Annette Cusworth, former Director	Share-based payments	6,465	20,568	38,880	71,442
Fehr & Associates	Share-based payments	3,233	-	16,251	-
Tim Clark, Director	Share-based payments	16,164	-	80,877	-
Michael Henrichsen, Director	Share-based payments	16,164	-	80,877	-
		$ 378,933	$400,942	$ 1,992,541	$1,357,077

(1) A corporation controlled by Shawn Khunkhun, President, Chief Executive Officer and Director.

(2) A corporation controlled by Robert McLeod, Director and Technical Advisor.

(3) On March 1, 2020, the Company entered into an agreement with Fehr & Associates, a corporation wholly owned by Ann Fehr, Chief Financial Officer. Fees of $17,500 are paid per month effective April 1, 2022 (2021-$12,000). The fee relates to the Chief Financial Officer services, accounting, corporate secretary, bookkeeping and general administrative services, including related software and office expenses.

Other related party transactions:

During the nine months ended September 30, 2022, $33,100 (2021 - $39,300) in office rent reimbursement was paid to corporations controlled by a director of the Company.

At September 30, 2022, included in accounts payable is $1,260 (December 31, 2021 - $1,813) owed to directors and officers of the Company. These amounts are unsecured, non-interest-bearing and due on demand.

At September 30, 2022, included in accrued liabilities is $11,055 (December 31, 2021 - $36,679) accrued to a former director for directors' fees outstanding related to outstanding DSUs.

At September 30, 2022, included in accrued liabilities is $28,100 (December 31, 2021 – nil) accrued to officers and director of the Company.

Financial Instruments

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

Off Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Proposed Transactions

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

Management's Responsibility for the Condensed Interim Consolidated Financial Statements

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

Critical Accounting Estimates

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

Share-based compensation

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

Estimating useful life of equipment

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

Deferred income taxes

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

Accrual of BC METC

The provincial government of BC provides for a refundable tax on net qualified mining exploration expenditures incurred in BC. The credit is calculated as 20% of qualified mining exploration expenses less the amount of any assistance received or receivable. The determination of the expenditures that would qualify as mining exploration expenses was based on the previous years' tax filings and subsequent reviews by government auditors. BC METC will be recorded in net income or loss upon cash receipt or when reasonable assurance exists that the tax filings are assessed and the expenditures are qualified as mining exploration expenses.

Significant Accounting Judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the unaudited condensed interim consolidated financial statements include, but are not limited to, the following:

Recoverability of the carrying value of the Company's exploration and evaluation assets

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that a change in future conditions could require a material change in the recognized amount.

Risk Factors

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

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

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge of management and key employees and contractors of the Company may not eliminate. Few exploration and evaluation assets that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a mineral resource. The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The economics of developing silver and other exploration and evaluation assets is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment, 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 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 Company's exploration and evaluation assets are located, which are subject to poor climate conditions.

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

Substantial Capital Requirements

Management of the Company anticipates that it may make substantial future capital expenditures for the acquisition, exploration, development and production of its exploration and evaluation assets. As the Company will be at the exploration stage with no revenue being generated from the exploration activities on its exploration and evaluation assets, the Company may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs.

There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly.

The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in its exploration and evaluation assets, miss certain acquisition opportunities and reduce or terminate its operations.

Competition

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

Volatility of Mineral Prices

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

Mineral Reserves / Mineral Resources

The Company's exploration and evaluation assets are in the early exploration stage only and, though they contain Current Mineral Resources, as disclosed on page 3 of the MD&A, they do not contain a known body of commercial minerals ("mineral reserves"). Mineral reserves are, in large part, estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral reserve estimates for exploration and evaluation assets that have not yet commenced production may require revision based on actual production experience.

Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

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

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

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

Reliance on Key Personnel

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

Conflicts of Interest

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

Dividends

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

Substantial Number of Authorized but Unissued Shares

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

Stock Exchange Prices

The market price of a publicly traded stock is affected by many variables not all of which are directly related to the success of the Company. 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, have 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 securities.

Permits and Licenses

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

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

Title Risks

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

Limited Operating History

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

Uninsured Risks

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

Unforeseen Expenses

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

Flow-through Share Private Placements ("FT Private Placements")

Historically, the Company has entered into FT Private Placements to fund exploration activities, with the most recent FT Private Placement being in March 2022. Canadian tax rules normally require the Company to have spent flow-through funds on "Canadian exploration expenses" (as defined in the *Income Tax Act (Canada)* (the "Tax Act")) by the end of the calendar year following the year in which they were raised. This gives the Company until December 31, 2023 to spend any amounts raised during calendar 2022 on Canadian exploration expenses.

While the Company intends to satisfy its expenditure commitments related to the FT Private Placements, there can be no assurance that it will do so. If the Company does not renounce to the purchasers of the flow-through shares, effective on or before December 31 of the year following the FT Private Placement, Canadian exploration expenses in an amount equal to the aggregate purchase price paid by such purchasers for the flow-through shares, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Company shall indemnify the purchaser for an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the purchaser as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity.

The Company may also be subject to interest on flow-through proceeds renounced under the Look-back Rules in respect of prior years, and penalties, in accordance with regulations in the Tax Act, if it is determined that flow-through proceeds were not properly or timely spent on Canadian exploration expenses.

COVID-19 Pandemic

The current outbreak of COVID-19 and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions, which may adversely impact the 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 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 Company's operations and the ability of the Company to advance its projects. In particular, if any employees or consultants of the Company become infected with the coronavirus or similar pathogens and/or the Company is unable to source necessary consumables or supplies, due to government restrictions or otherwise, it could have a material negative impact on the Company's operations and prospects, including the complete shutdown of one or more of its exploration programs.

Other Risks

The level of demand for the Company's exploration is increasingly affected by regional and global demographic and macroeconomic conditions, including population growth rates and changes in standards of living. A significant downturn in global economic growth, or recessionary conditions in major geographic regions, may lead to reduced demand for commodities, which could adversely affect the Company's business and results of operations.

Additionally, weak global economic conditions and turmoil in global financial markets, including constraints on the availability of credit, have in the past adversely affected, and may in the future continue to adversely affect, the financial condition and creditworthiness of some of the Company's customers, suppliers and other counterparties, which in turn may negatively impact the Company's business. Any deterioration in economic conditions due to the current coronavirus concerns could negatively impact the Company's exploration.

Forward Looking Statements

This MD&A contains forward-looking statements that are based on the Company's current expectations and estimates of the business and management. Certain statements included in this MD&A constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "suggest", "estimate", "anticipate", "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 MD&A 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.

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 estimates, risks and uncertainties described in this MD&A 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. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date.

The material factors and assumptions that were applied in making the forward-looking statements in this MD&A include: (a) execution of the Company's existing plans or 2022 exploration program for the KV Project, either of which may change due to changes in the views of the Company, or if new information arises that makes it prudent to change such plans or programs; (b) focus drilling or other exploration strategies will produce new information; and (c) 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.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; fluctuations in metal prices; and the impact of the COVID-19 pandemic. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results, or otherwise. Forward-looking statements are not a guarantee of future performance, and accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

Additional Information

Additional information about the Company, including the condensed interim consolidated financial statements, is available on the Company's website at *www.dollyvardensilver.com* and on SEDAR at *www.sedar.com*.