



## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Expressed in Canadian Dollars)

(Unaudited)

DOLLY VARDEN SILVER CORPORATION  
Condensed Consolidated Interim Statements of Financial Position  
(Expressed in Canadian Dollars)

As at	Notes	March 31, 2025	December 31, 2024
		(unaudited)	
ASSETS			
Current			
Cash		\$ 14,257,987	\$ 32,057,647
Short-term investments	4	18,163,375	2,119,952
Prepaid expenses		327,137	328,093
Goods and Services Tax receivable		83,708	67,552
		32,832,207	34,573,244
Non-current			
Property and equipment	5	181,331	191,715
Deposits	6	159,000	159,000
Exploration and evaluation assets	6	71,329,535	71,329,535
		\$ 104,502,073	\$ 106,253,494
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable	9	\$ 270,315	\$ 118,521
Accrued liabilities	9	562,015	802,656
Liability on flow-through share issuances	7	3,419,796	3,478,712
		4,252,126	4,399,889
Shareholders' Equity			
Share capital	7	225,297,776	224,362,471
Reserves	7	12,318,637	12,513,816
Deficit		(137,366,466)	(135,022,682)
		100,249,947	101,853,605
		\$ 104,502,073	\$ 106,253,494

Nature of Operations (Note 1)  
Subsequent Events (Note 12)

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 12, 2025 and signed on its behalf by:

*"Shawn Khunkhun"*

Director

*"James Sabala"*

Director

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

DOLLY VARDEN SILVER CORPORATION  
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Unaudited, Expressed in Canadian Dollars)

For the three months ended	Notes	March 31, 2025	March 31, 2024
<b>EXPENSES</b>			
Consulting fees		\$ 70,000	\$ 240,000
Directors' fees	9	57,500	55,900
Exploration and evaluation	6, 9	686,693	636,195
Management fees	9	300,955	562,200
Marketing and communications		233,204	283,901
Office and administration		129,034	67,600
Professional fees		229,591	68,371
Rent and maintenance	9	38,376	32,135
Share-based payments	7, 9	600,474	348,711
Transfer agent and filing fees		116,826	55,897
Travel and accommodation		67,675	47,452
Operating loss		(2,530,328)	(2,398,362)
Recovery on flow-through share premium	7	58,916	-
Part XII.6 tax expense		(128,771)	-
Interest and other income		256,399	146,602
Loss and comprehensive loss for period		\$ (2,343,784)	\$ (2,251,760)
Basic and diluted loss per common share		\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding – basic and diluted		79,337,391	67,818,356

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

## DOLLY VARDEN SILVER CORPORATION

## Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited, Expressed in Canadian Dollars)

	Common Shares	Share Capital	Reserves	Obligation to Issue Shares	Deficit	Total Shareholders' Equity
Balance, December 31, 2023	67,516,696	\$ 184,751,037	\$ 11,568,202	\$ -	\$ (114,373,535)	\$ 81,945,704
Exercise of stock options	6,250	22,408	(16,158)	-	-	6,250
Issuance of common shares for acquisition of mineral properties	68,750	222,750	-	-	-	222,750
Issuance of flow-through shares	3,571,425	14,999,985	-	-	-	14,999,985
Flow-through share premium liability	-	(3,999,996)	-	-	-	(3,999,996)
Share-based payments	-	-	110,742	-	-	110,742
Obligation to issue shares	-	-	(664,346)	664,346	-	-
Restricted share compensation	-	-	237,969	-	-	237,969
Share issuance costs – cash	-	(1,031,513)	-	-	-	(1,031,513)
Loss and comprehensive loss for the period	-	-	-	-	(2,251,760)	(2,251,760)
Balance, March 31, 2024	71,163,121	194,964,671	11,236,409	664,346	(116,625,295)	90,240,131
Exercise of stock options	902,334	2,288,194	(974,837)	-	-	1,313,357
Issuance of flow-through shares	4,140,000	20,700,000	-	-	-	20,700,000
Issuance of common shares	2,875,000	11,500,000	-	-	-	11,500,000
Share issuance costs – cash	-	(1,974,740)	-	-	-	(1,974,740)
Flow-through share premium liability	-	(3,780,000)	-	-	-	(3,780,000)
Share-based payments	-	-	1,350,758	-	-	1,350,758
Restricted share compensation	-	-	901,486	-	-	901,486
Restricted share units converted to common shares	171,223	664,346	-	(664,346)	-	-
Loss and comprehensive loss for the period	-	-	-	-	(18,397,387)	(18,397,387)
Balance, December 31, 2024	79,251,678	224,362,471	12,513,816	-	(135,022,682)	101,853,605
Exercise of stock options	96,563	296,869	(131,307)	-	-	165,562
Share-based payments	-	-	287,179	-	-	287,179
Share issuance costs – cash	-	(25,910)	-	-	-	(25,910)
Restricted share units converted to common shares	171,223	664,346	(664,346)	-	-	-
Restricted share unit compensation	-	-	313,295	-	-	313,295
Loss and comprehensive loss for the period	-	-	-	-	(2,343,784)	(2,343,784)
Balance, March 31, 2025	79,519,464	\$ 225,297,776	\$ 12,318,637	\$ -	\$ (137,366,466)	\$ 100,249,947

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

DOLLY VARDEN SILVER CORPORATION  
Condensed Consolidated Interim Statements of Cash Flows  
(Unaudited, Expressed in Canadian Dollars)

	March 31, 2025	March 31, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (2,343,784)	\$ (2,251,760)
Items not affecting cash:		
Share-based payments	600,474	348,711
Recovery on flow-through share premium	(58,916)	-
Depreciation of property and equipment	9,059	11,083
Accrued Part XII.6 tax	128,771	-
Loss on disposal of property and equipment	5,089	-
Changes in non-cash working capital items:		
Prepaid expenses	956	(61,628)
Goods and Services Tax receivable	(16,156)	786,044
Accounts payable and accrued liabilities	(217,618)	413,504
Cash used in operating activities	(1,892,125)	(754,046)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of equipment	(3,764)	(7,167)
Short-term investments	(16,043,423)	-
Cash used in investing activities	(16,047,187)	(7,167)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Private placement, net of share issuance costs	(25,910)	13,968,472
Exercise of stock options	165,562	6,250
Cash provided by financing activities	139,652	13,974,722
Change in cash during the period	(1,799,660)	13,213,509
Cash, beginning of period	32,057,647	9,982,389
Cash, end of period	\$ 14,257,987	\$ 23,195,898
<b>Supplemental disclosure with respect to cash flows:</b>		
Interest income received in cash	\$ 193,024	\$ 146,602
<b>Non-cash transactions:</b>		
Fair value of options exercised	\$ 131,307	\$ 16,158
Fair value of shares issued for acquisition of exploration and evaluation assets	\$ -	\$ 222,750
Reclassification of acquisition costs from prepaid expenses to exploration and evaluation assets	\$ -	\$ 50,000
Restricted share units converted to common shares	\$ 664,346	\$ 664,346
Premium liability on flow-through shares	\$ -	\$ 3,999,996

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

## DOLLY VARDEN SILVER CORPORATION

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars | Unaudited)

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#### 1 NATURE OF OPERATIONS

Dolly Varden Silver Corporation (the “Company” or “Dolly Varden”) was incorporated under the *Business Corporations Act (British Columbia)* on March 4, 2011 and is a public company listed on the TSX Venture Exchange (the “Exchange”) under the symbol “DV”. In addition, the Company trades on the NYSE American, LLC under the symbol “DVS” and on the Frankfurt Exchange under the trading symbol “DVQ “. The Company’s primary business is the acquisition and exploration of mineral properties in Canada. The Company’s head office is 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.

The Company owns interests in multiple mineral titles and claims in British Columbia, Canada. On February 25, 2022, the Company acquired 100% of the outstanding common stock of Homestake Resource Corporation and its wholly owned subsidiary Homestake Royalty Corporation (collectively, “Homestake”) in exchange for common shares of the Company. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements and to complete the development of properties, as well as upon future profitable production or proceeds from the disposition thereof. Management believes that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

On April 7, 2025, the Company completed a consolidation of the issued and outstanding shares of the Company at a ratio of four pre-consolidation common shares for one post-consolidation common share. All share figures and per share figures in these condensed consolidated interim financial statements have been retroactively adjusted to reflect the share consolidation.

#### 2 BASIS OF PRESENTATION

##### (a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. They do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Company’s audited consolidated financial statements as at December 31, 2024 and for the fiscal year then ended, which have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements were approved by the Board of Directors on May 12, 2025.

##### (b) Basis of Presentation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

DOLLY VARDEN SILVER CORPORATION  
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3 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries. The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions, balances, revenue and expenses are eliminated in full upon consolidation. The legal subsidiaries of the Company are as follows:

Name of Subsidiary	Place of Incorporation	Beneficial Ownership Interest	
		March 31, 2025	December 31, 2024
Homestake Resource Corporation	British Columbia, Canada	100%	100%
Homestake Royalty Corporation	British Columbia, Canada	100%	100%

(b) Functional and Foreign Currency

The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency. Foreign currency transactions are translated into Canadian dollars using the exchange rates at the date of the transactions. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at year-end or period-end rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(c) Use of Estimates and Judgments

The preparation of these condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and the reported amounts of revenues and expenses during the period. These and other estimates are subject to measurement uncertainty and the effect on the condensed consolidated interim financial statements of changes in these estimates could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized during the year in which the estimates are revised and in any future periods affected.

*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 condensed consolidated interim financial statements include, but are not limited to, the following:

i) 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.

*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:

i) Share-based payments

The fair value of share-based payments is determined using the 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 date.

3 MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

(c) Use of Estimates and Judgments (cont'd)

*Critical Accounting Estimates (cont'd)*

ii) Estimating useful life of property and equipment

Depreciation of property and 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.

iii) Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized in the condensed consolidated interim statements 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 forecasted 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 condensed consolidated interim statements of financial position could be impacted.

iv) Accrual of British Columbia Mineral Exploration Tax Credit ("BC METC")

The provincial government of British Columbia provides for a refundable tax on net qualified mining exploration expenditures incurred in British Columbia. 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 profit 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.

(d) Application of New and Revised Accounting Standards

*Future Standards not yet Adopted*

*IFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. This standard aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact the new standard will have on its condensed consolidated interim financial statements.



DOLLY VARDEN SILVER CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

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4 SHORT-TERM INVESTMENTS

As at March 31, 2025, the Company held three guaranteed investment certificates (“GICs”) totalling \$15,100,000 which matures on June 3, June 4, and June 10, 2025 with interest rates of 2.70%, 2.88% and 2.88%, respectively. In addition, the Company held a \$2,100,000 GIC maturing April 7, 2025 with an annualized interest rate of 4.00%. As at December 31, 2024, the Company held a \$2,100,000 GIC. The Company earned interest of \$63,375 during the three months ended March 31, 2025 (December 31, 2024 - \$19,952).

5 PROPERTY AND EQUIPMENT

Property and equipment consists of:

	Dock	Tents and Trailers	Equipment	Vehicles	Gas Tank	Boat	Office Furniture	Total
Cost:								
At December 31, 2023	\$ 15,571	\$ 203,315	\$ 189,301	\$ 39,936	\$ 40,000	\$ 91,755	\$ -	\$ 579,878
Additions	-	-	18,778	-	-	-	4,938	23,716
At December 31, 2024	15,571	203,315	208,079	39,936	40,000	91,755	4,938	603,594
Additions	-	-	3,764	-	-	-	-	3,764
Disposals	-	-	(8,862)	-	-	-	-	(8,862)
At March 31, 2025	\$ 15,571	\$ 203,315	\$ 202,981	\$ 39,936	\$ 40,000	\$ 91,755	\$ 4,938	\$ 598,496
Accumulated Depreciation:								
At December 31, 2023	\$ 8,627	\$ 169,528	\$ 89,364	\$ 28,837	\$ 29,199	\$ 38,267	\$ -	\$ 363,822
Depreciation	347	10,135	23,759	3,330	1,080	8,023	1,383	48,057
At December 31, 2024	8,974	179,663	113,123	32,167	30,279	46,290	1,383	411,879
Depreciation	82	1,774	4,494	583	243	1,705	178	9,059
Disposals	-	-	(3,773)	-	-	-	-	(3,773)
At March 31, 2025	\$ 9,056	\$ 181,437	\$ 113,844	\$ 32,750	\$ 30,522	\$ 47,995	\$ 1,561	\$ 417,165
Net Book Value:								
At December 31, 2024	\$ 6,597	\$ 23,652	\$ 94,956	\$ 7,769	\$ 9,721	\$ 45,465	\$ 3,555	\$ 191,715
At March 31, 2025	\$ 6,515	\$ 21,878	\$ 89,137	\$ 7,186	\$ 9,478	\$ 43,760	\$ 3,377	\$ 181,331

## 6 EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets 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 conveyancing history characteristics of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

Exploration and evaluation asset acquisition costs are set out below:

Balance, December 31, 2023	\$	70,906,785
Additions		422,750
Balance, March 31, 2025 and December 31, 2024	\$	71,329,535

### *Kitsault Valley ("KV") Project*

During the years ended December 31, 2011 to 2018, the Company purchased the Dolly Varden (or "DV") property, consisting of fee simple titles, mineral claims and mineral tenures in respect of certain lands located in the Kitsault area of British Columbia. The 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 additional surface rights and fee simple lands. The total 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 for a value of \$149,808.

On February 25, 2022, the Company completed the acquisition of a 100% interest in the Homestake Ridge property pursuant to a purchase agreement with Fury Gold Mines Ltd. ("Fury"). The Homestake Ridge property is located adjacent to the Company's DV property. The Homestake Ridge property is subject to a 2% NSR applicable to certain claims (the "Crown Grants"). The 2% NSR on the Crown Grants includes an annual advanced minimum royalty of \$50,000 payment obligations. Ten business days after commencement of commercial production, approximately 17,300 shares of the Company are to be issued to the NSR holders. Additionally, a small area of the Homestake Ridge property is subject to a 3% royalty. The Company refers to the combination of its Homestake Ridge and DV properties as the KV Project. As of March 31, 2025, the Company has deposits totaling \$159,000 (December 31, 2024 - \$159,000) as reclamation bonds for the KV Project.

### *Big Bulk Property*

On December 19, 2023, the Company entered into an assignment and assumption agreement (the "Assignment Agreement") with Libero Copper & Gold Corporation ("Libero") pursuant to which the Company was assigned the rights to an option agreement (the "Option Agreement") to earn a 100% interest in certain claims known as the Big Bulk property. As consideration for the Assignment Agreement, the Company issued Libero 68,750 common shares of the Company valued at \$222,750, on January 9, 2024 (Note 7).

DOLLY VARDEN SILVER CORPORATION

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars | Unaudited)

6 EXPLORATION AND EVALUATION ASSETS (cont'd)

In connection with this acquisition, the Company also entered into an amended agreement with LCT Holdings Inc., the owner of the Big Bulk property and optionor under the Option Agreement. The amended Option Agreement provides that the Company may earn-in a 100% undivided interest in the Big Bulk property by completing the following payments:

- a) \$50,000 in cash on or before December 31, 2023 (cash paid);
- b) \$150,000 in cash on or before December 31, 2024 (cash paid);
- c) \$250,000 in cash or common shares on or before December 31, 2025;
- d) \$500,000 in cash or common shares on or before December 31, 2026; and
- e) \$500,000 in cash or common shares on or before December 31, 2027.

The Company has the right to elect to issue common shares instead of a cash payment only when the market price of the common shares at the time is equal to or greater than the ten-day volume weighted average price of the common shares of the Company, subject to such exchange's minimum pricing rules and further provided that the common shares may only be issued by the Company if the deemed price is equal to or greater than \$2.56 per common share, otherwise the Company may only satisfy such payment in cash.

*Exploration and Evaluation Expenses*

The following table summarizes the exploration and evaluation expenses incurred during the periods ended:

Three months ended	March 31, 2025	March 31, 2024
Analytical and sample related	\$ 31,612	\$ 78,023
Camp, food, supplies and related	40,843	148,109
Claim maintenance	2,125	17,641
Community relations and related	10,211	1,900
Depreciation	9,059	11,083
Drilling	-	3,632
Drill pad preparation	57,780	-
Equipment and warehouse rental	38,401	29,353
Fuel	59,942	-
Geological and geoscience	297,765	164,119
Mapping and modelling	32,604	33,567
Project supervision	105,680	265,000
Transport, travel and related	671	1,980
Cost recovery: BC METC	-	(118,212)
Total	\$ 686,693	\$ 636,195

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For the three months ended March 31, 2025 and 2024  
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7 SHARE CAPITAL

Authorized: Unlimited number of common shares without par value.

Issued:

During the three months ended March 31, 2025, the Company issued 171,223 shares pursuant to conversion of restricted share units ("RSUs"). The value of the settled units adjusted the share capital reserve account by \$664,346.

During the three months ended March 31, 2025, the Company issued 96,563 common shares pursuant to the exercise of stock options for proceeds of \$165,562.

On September 27, 2024, the Company closed the second and final tranche of a bought deal financing for additional gross proceeds of \$4,500,000 from the issuance of 900,000 flow-through ("FT") common shares at price of \$5.00 per FT common share. In connection with the closing of the first tranche of the offering, a finders' fee of \$225,000 was paid representing 5.0% of the gross proceeds.

On September 4, 2024, the Company closed the first tranche of a bought deal financing for aggregate gross proceeds to the Company of \$27,700,000. Pursuant to the close of the first tranche of this financing, the Company sold 2,875,000 common shares of the Company at a price of \$4.00 per common share for gross proceeds of \$11,500,000 and also sold 3,240,000 FT common shares at a price of \$5.00 per FT common share for gross proceeds of \$16,200,000. In connection with the closing of the first tranche of this financing, a finders' fee of \$1,385,000 was paid representing 5.0% of the gross proceeds.

On March 26, 2024, the Company closed a bought deal financing for gross proceeds to the Company of \$14,999,985. Pursuant to this financing, the Company sold 3,571,425 FT common shares on a charitable basis at a price of \$4.20 per FT common share. Underwriter fees of \$749,999 were paid in relation to this financing.

On January 9, 2024, the Company issued to Libero 68,750 common shares of the Company valued at \$222,750 in relation to the Assignment Agreement (Note 6).

During the year ended December 31, 2024, the Company issued 171,223 shares pursuant to conversion of RSUs. The value of the settled units adjusted the share capital reserve account by \$664,346.

During the year ended December 31, 2024, the Company issued 902,334 common shares pursuant to the exercise of stock options for proceeds of \$1,319,607.

*Restricted Share Units*

The Company adopted a RSU plan during the year ended December 31, 2022 after the shareholders approved a new rolling 10% RSU plan (the "RSU Plan") at its annual general meeting on June 24, 2024. The maximum number of common shares issuable upon the vesting of RSUs granted pursuant to the RSU Plan combined with other share-based compensation arrangements is set at 10% of the total issued common shares. The RSU Plan is an evergreen plan meaning any vesting of an RSU will, subject to the overall limit described above, allow new grants available under the RSU Plan resulting in a reloading of the number of RSUs available for grant.

On February 28, 2025, the Company granted 237,244 RSUs to various directors with vesting equally spread over three years with the first vesting occurring on March 15, 2026. On April 2, 2024, the Company granted 295,750 RSUs to various directors with vesting equally spread over three years with the first vesting occurring after one year. The Company expensed \$313,295 included in share-based compensation expense during the three months ended March 31, 2025 (2024 - \$237,969).

DOLLY VARDEN SILVER CORPORATION  
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For the three months ended March 31, 2025 and 2024  
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7 SHARE CAPITAL (cont'd)

*Restricted Share Units (cont'd)*

	Number of RSUs
Balance, December 31, 2023	513,671
Granted	295,750
Settlement upon vesting	(171,223)
Balance, December 31, 2024	638,198
Granted	237,244
Settlement upon vesting	(171,223)
Balance, March 31, 2025	704,219

*Stock Options*

The Company has a stock option plan under which it is authorized to grant share purchase options to executive officers, directors, employees and consultants enabling the holder to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall be no less than the discounted market price of the Company's shares prior to the grant in accordance with Exchange policies. Options are granted for a maximum term of 10 years.

	Number of Options	Weighted Average Exercise Price \$
Balance, December 31, 2023	2,717,689	2.48
Granted	706,000	3.40
Exercised	(902,334)	1.44
Forfeited/expired	(122,917)	2.56
Balance, December 31, 2024	2,398,438	3.14
Granted	548,500	4.00
Exercised	(96,563)	1.71
Balance, March 31, 2025	2,850,375	3.34

As at March 31, 2025, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Date of Expiry	Exercise Price \$	Number of Stock Options Outstanding as at March 31, 2025
March 25, 2026	2.84	468,750
February 25, 2027	3.16	887,500
August 19, 2027	2.84	106,125
February 24, 2028	3.88	150,000
March 28, 2029	3.36	645,750
May 22, 2029	4.24	25,000
June 24, 2029	4.00	18,750
February 28, 2030	4.00	548,500
Total Outstanding	3.34	2,850,375
Total Exercisable	3.14	1,851,000

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7 SHARE CAPITAL (cont'd)

*Stock Options (cont'd)*

During the three months ended March 31, 2025, the Company recognized a total of \$287,179 (2024 - \$110,742) in share-based payments expense for the options granted and vested during the period. The fair value of options granted during the three months ended March 31, 2025 was \$2.38 (2024 - \$2.48) per option. The weighted average remaining life of the stock options as of March 31, 2025 is 2.90 (December 31, 2024 - 2.60) years.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

For the three months ended	March 31, 2025	March 31, 2024
Risk-free interest rate	2.60%	N/A
Expected dividend yield	0%	N/A
Annualized stock price volatility	77.14%	N/A
Expected life of options	5 years	N/A
Expected forfeiture rate	0%	N/A

*Flow-through Premium Liability*

The following is a continuity of the liability portion of the flow-through share issuances:

Balance, December 31, 2023	\$	-
Flow-through premium liability additions		7,779,996
Settlement of flow-through share premium liability pursuant to qualifying expenditures		(4,301,284)
Balance, December 31, 2024		3,478,712
Settlement of flow-through share premium liability pursuant to qualifying expenditures		(58,916)
Balance, March 31, 2025	\$	3,419,796

*Anti-dilution Rights Agreements*

In September 2012, the Company entered into an ancillary rights agreement with Hecla Mining Company ("Hecla"), whereby as long as Hecla holds a pro-rata interest of 10%, it reserves the right to maintain its ownership interest in the event the Company issues any equity securities. In February 2022, the Company entered into an investor rights agreement in relation to the acquisition of Homestake with Fury, whereby as long as Fury holds a pro-rata interest of 10%, it reserves the right to maintain its ownership interest in the event the Company issues any equity securities for cash. At March 31, 2025, each of Hecla and Fury owned greater than 10% of the Company.

8 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue other business opportunities and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk. The capital of the Company consists of items within shareholders' equity.

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 its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets.

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8 CAPITAL MANAGEMENT (cont'd)

The Company is dependent on the capital markets as its main source of operating capital. The Company's capital resources are largely determined by the strength of the junior public markets, by the status of the Company's projects in relation to these markets and its ability to compete for investor support of its projects. There have been no changes to the Company's approach to capital management during the three months ended March 31, 2025. The Company has no capital restrictions other than an anti-dilution right in favor of Hecla and Fury whereby both parties have the right to maintain their equity holdings in the Company (Note 7).

9 RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2025 and 2024, the Company incurred the following amounts charged by officers and directors (being key management personnel) and companies controlled and/or owned by officers and directors of the Company in addition to the related party transactions disclosed elsewhere in these condensed consolidated interim financial statements:

	March 31, 2025	March 31, 2024
Directors' fees <sup>(1)(2)</sup>	\$ 57,500	\$ 55,900
Exploration and evaluation <sup>(3,4)</sup>	131,250	295,000
Management fees <sup>(1)(2)</sup>	267,500	562,200
Share-based payments <sup>(1)(2)</sup>	502,863	278,637
Total	\$ 959,113	\$ 1,191,737

(1) The Company entered into a consulting service agreement with S2K Capital Corp. and Shawn Khunkhun, Chief Executive Officer and director of the Company. Pursuant to this consulting agreement, Mr. Khunkhun is compensated at a rate of \$30,000 (2024 - \$30,000) per month. The Company is required to pay an equivalent to 24 months' pay plus an average of any cash performance bonus paid 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. During the three months ended March 31, 2025, the Company paid a \$360,000 bonus related to the year ended December 31, 2024 and made a bonus allowance of \$100,000 for amounts expected to be paid in 2026 that relate to the year to end December 31, 2025. If the agreement is terminated for reasons other than event of default, the Company is required to pay a sum equal to 12 months' pay.

(2) The Company entered into a consulting service agreement with Fehr & Associates and Ann Fehr, Chief Financial Officer ("CFO") for full outsourced accounting and corporate secretary services. During the three months ended March 31, 2025 the Company paid \$16,667 (2024 - \$16,667) per month for CFO and costs related to the controller, bookkeeper and administrative services. Of the amounts paid to Fehr & Associates, \$16,667 per month was deemed to be related to CFO services and included in management fees expense, effective April 1, 2024. During the three months ended March 31, 2025, the Company paid a \$100,000 bonus related to the year ended December 31, 2024 and made a bonus allowance of \$27,500 for amounts expected to be paid in 2026 that relate to the year to end December 31, 2025. The Company is required to pay an equivalent to 12 months' pay 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.

(3) The Company entered into a consulting service agreement with Robert van Egmond, VP Exploration of the Company. Pursuant to this consulting agreement, Mr. van Egmond is compensated at a rate of \$22,500 (2024 - \$22,500) per month. During the three months ended March 31, 2025, the Company paid a \$135,000 bonus related to the year ended December 31, 2024 and made a bonus allowance of \$33,750 for amounts expected to be paid in 2026 that relate to the year to end December 31, 2025. The Company is required to pay the equivalent to 12 months' pay 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.

(4) The Company recognized expense of \$30,000 (2024 - \$120,000) in exploration and evaluation expenses to a company controlled by a director.

9 RELATED PARTY TRANSACTIONS (cont'd)

Other related party transactions are as follows:

At March 31, 2025, included in accounts payable is \$20,319 (December 31, 2024 - \$10,640) owed to officers of the Company.

At March 31, 2025, included in accrued liabilities is \$283,000 (December 31, 2024 - \$686,750) accrued to officers and directors of the Company.

During the three months ended March 31, 2025, \$33,455 (2024 - \$nil) in fees were paid to Fehr & Associates, a corporation controlled by the CFO, that were attributable to costs directly associated with office space, accounting services and administration staff used by the Company.

10 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments recorded at fair value require disclosure as to how the fair value was determined based on significant levels of input described in the following hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, short-term investments, amounts receivable, deposits, accounts payable and accrued liabilities, all of which are measured at amortized cost.

*Financial Instruments*

The carrying values of cash, short-term investments, amounts receivable, deposits, accounts payable and accrued liabilities approximate fair values due to the short-term nature of these instruments or market rates of interest. The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

*Credit Risk*

The Company's credit risk is primarily attributable to cash, short-term investments, deposits and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank balances and demand GICs at reputable financial institutions, from which management believes the risk of loss to be remote. Amounts receivable and deposits are due from government agencies.

The Company limits its exposure to credit risk for cash by placing it with high quality financial institutions.



10 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

*Financial Instruments (cont'd)*

*Liquidity Risk*

The Company's ability to remain liquid over the long-term depends on its ability to obtain additional financing through the issuance of additional securities, entering into credit facilities, or entering into joint ventures, partnerships or other similar arrangements. The Company's ability to continue as a going concern is dependent upon its ability to continue to raise adequate financing in the future to meet its obligations and repay its liabilities arising from normal business operations when they come due. As at March 31, 2025, the Company had cash and short-term investments of \$32,421,362 to settle current liabilities of \$832,330 (excluding liability on flow-through share issuances).

*Interest Rate Risk*

The Company has cash and cash equivalent balances subject to fluctuations in the prime rate. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote, as investments are redeemable at any time and interest can be earned up to the date of redemption.

*Price Risk*

The Company is exposed to price risk with respect to commodity prices. The Company's future mining operations will be significantly affected by changes in the market price for silver. Precious metal prices fluctuate daily and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, level of interest rates, rate of inflation, investment decisions by large holders of commodities and stability of exchange rates can all cause significant fluctuations in commodity prices.

11 SEGMENTED INFORMATION

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's primary exploration and evaluation assets are located in British Columbia, and its corporate assets, comprising mainly of cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results. All corporate expenses are incurred in Canada.

12 SUBSEQUENT EVENTS

On May 8, 2025, the Company announced that it has entered into a definitive agreement with Strikepoint Gold Inc. to acquire an interest in the Porter Project, located in the Golden Triangle, British Columbia. The property will be acquired for consideration of \$1,100,000, which shall be satisfied by Dolly Varden issuing 295,699 common shares.

On May 5, 2025, the Company announced a definitive agreement to acquire 100% of Hecla Mining Company's Kinskuch property in northwest British Columbia's Golden Triangle. The property will be acquired for consideration of \$5,000,000, which shall be satisfied by Dolly Varden issuing 1,351,963 common shares.