

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

This amended Early Warning Report on Form 62-103F1 (the “**Amended EWR**”) is filed to amend the disclosure of Fury (as defined below) related to its ownership of common shares of Dolly Varden (as defined below) in the original Early Warning Report of Fury dated March 3, 2022, as amended on March 3, 2022 and on October 3, 2022 (the “**Original EWR**”) to reflect the completion of the Sale Transaction pursuant to the Purchase and Sale Agreement referred to below.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the common shares (“**Dolly Varden Shares**”) in the capital of Dolly Varden Silver Corporation (“**Dolly Varden**”).

Dolly Varden’s head office is located at:

1800 - 555 Burrard Street,
Vancouver, BC V7X 1E5

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. Private Transaction.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Fury Gold Mines Limited (“**Fury**” or the “**Company**”)
1630 – 1177 West Hastings Street
Vancouver, British Columbia
Canada, V6E 2K3

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

Fury entered into a purchase and sale agreement dated October 3, 2022 (the “**Purchase and Sale Agreement**”) with a private institutional investor (the “**Investor**”) whereby Fury agreed to sell 17,000,000 common shares in the capital of Dolly Varden (the “**Shares**”) to the Investor (the “**Sale Transaction**”) at price of \$0.40 per share. The Sale Transaction closed on October 13, 2022. Upon completion of the Sale Transaction, the ownership interest of Fury in Dolly Varden was reduced from 76,504,590 Dolly Varden Shares, representing approximately 33.2% of the outstanding common shares of Dolly

Varden, to 59,504,590 Dolly Varden Shares, representing approximately 25.8% of the outstanding common shares of Dolly Varden.

Dolly Varden executed a consent in favour of Fury and the Investor confirming its consent to the Sale Transaction notwithstanding the contractual lock-up under Section 4.3 of the Investor Rights Agreement, as detailed below in Item 6.

The remaining 59,504,590 Dolly Varden Shares owned by Fury represent the balance of the original 76,504,590 Dolly Varden Shares acquired by Fury from Dolly Varden pursuant to a definitive agreement with Dolly Varden dated December 6, 2021 (the "**Purchase Agreement**") pursuant to which Fury agreed to sell to Dolly Varden a 100% interest in Fury's wholly-owned subsidiary, Homestake Resources Corporation ("**Homestake Resources**"). Homestake Resources is the owner of a 100% interest in the Homestake Ridge gold-silver project which is located adjacent to the Dolly Varden Project owned by Dolly Varden in the Golden Triangle, British Columbia (the "**Transaction**").

The Transaction completed on February 25, 2022. On closing, Dolly Varden acquired the 100% interest in Homestake Resources from Fury in exchange for the payment of \$5.0 million in cash to Fury and the issuance to Fury of 76,504,590 Dolly Varden Shares with a deemed value under the Purchase Agreement of \$45.0 million.

In connection with the Transaction and as contemplated in the Purchase Agreement, Dolly Varden and Fury have also entered into an investor rights agreement dated February 25, 2022 (the "**Investor Rights Agreement**"), as detailed below in Item 6. Pursuant to its obligations under the Investor Rights Agreement, Dolly Varden has appointed Tim Clark, the Chief Executive Officer of Fury, and Michael Henrichsen, the Senior Vice President, Exploration of Fury, to the board of directors of Dolly Varden.

The description of the terms of the Purchase Agreement and the Investor Rights Agreement contained herein are summaries only and are qualified in their entirety by the terms of the Purchase Agreement and the Investor Rights Agreement. A copy of the executed Purchase Agreement, with the form of the Investor Rights Agreement attached as an exhibit, has been publicly filed by each of Fury and Dolly Varden under their respective profiles at www.sedar.com.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Fury sold 17,000,000 Dolly Varden Shares to a private institutional investor on October 13, 2022. The completion of the Share Transaction reduced Fury's ownership interest to

59,504,590 Dolly Varden Shares, representing approximately 25.8% of the outstanding common shares of Dolly Varden.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See Item 3.1.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 and Item 2.2 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1 and Item 2.2 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved

and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8** If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

See Item 2.2.

Item 4 – Consideration Paid

- 4.1** State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The 17,000,000 Dolly Varden Shares sold by Fury were sold for an aggregate sales price of \$6,800,000, representing an sales price of \$0.40 per share.

- 4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 2.2 and Item 4.1.

- 4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

See Item 2.2 above and Item 6 below.

Fury entered into the Purchase and Sale Agreement with respect of the disposition of 17,000,000 Dolly Varden Shares, as disclosed in Item 2.2 above, in order to finance the continued exploration by Fury of its Eau Claire and Éléonore South Joint Venture projects in Quebec and for general working capital.

Fury continues to hold the remaining 59,504,590 Dolly Varden Shares for investment purposes. Fury is restricted in its rights to acquire ownership of, or control over, additional securities of Dolly Varden. Two representatives of Fury have been appointed to the board of directors of Dolly Varden under the Investor Rights Agreement.

Fury will evaluate its investment in Dolly Varden on a continuing basis and may increase or decrease its holdings in Dolly Varden in the future, subject to its rights and obligations under the Investor Rights Agreement, a copy of which has been filed under Fury's and Dolly Varden's sedar.com profile.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees,

joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Fury and Dolly Varden entered into the Investor Rights Agreement on February 25, 2022 pursuant to which Fury has the following rights, and is subject to the following obligations:

- Fury will have the right to appoint two nominees to the Dolly Varden board so long as Fury owns greater than 20% of the Dolly Varden common shares outstanding. Should Fury own less than 20% but greater than 10% of the Dolly Varden shares outstanding, Fury shall have the right to appoint one nominee to the Dolly Varden board.
- Fury will have the right to appoint one member to Dolly Varden's technical committee for the purpose of providing non-binding advice and recommendations to the Dolly Varden board for so long as Fury is entitled to appoint one nominee to the Dolly Varden board.
- Fury will have pre-emptive rights to maintain its ownership percentage in Dolly Varden for so long as Fury owns more than 10% of the outstanding Dolly Varden common shares, subject to certain carve-outs and top-up rights.
- Fury will not sell the DV Shares during the one-year hold period following closing, and will provide to Dolly Varden the right to direct the sale of any DV Shares proposed to be sold by Fury after the expiry of the initial one-year hold period.
- Fury will for the initial two year period following closing, and subject to Fury continuing to hold at least 10% of Dolly Varden's outstanding shares, vote its shares in accordance with Dolly Varden management's recommendations at each meeting of the shareholders of Dolly Varden, subject to exceptions for certain excluded matters, including special resolutions, minority shareholder votes required pursuant to Multilateral Instrument 61-101 and matters that would materially and adversely impact Fury disproportionately.
- Fury will not for the initial three-year period following Closing, and subject to Fury continuing to hold at least 10% of Dolly Varden's outstanding shares, acquire additional securities of Fury, solicit proxies separately from any Dolly Varden board approved proxy circular or otherwise seek to control management, the board or the policies of Dolly Varden, other than in connection with the exercise of its board nomination rights.

As disclosed in Item 2.2, Fury entered into the Purchase and Sale Agreement with respect to the sale of the 17,000,000 Dolly Varden Shares on October 3, 2022. Dolly Varden consented to the Sale Transaction under Section 4.3 of the Investor Rights Agreement notwithstanding the contractual one year lock-up under the Investor Rights Agreement. Completion of the Sale Transaction has not impacted the number of nominees that Fury is entitled to appoint to the Dolly Varden under the Investor Rights Agreement as Fury's ownership remains above the 20% level.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

See disclosure above regarding the closing of the Sale Transaction pursuant to the Purchase and Sale Agreement in Item 2.2, Item 5 and Item 6.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Fury relied on the exemption from the prospectus requirements provided by Section 2.8 of National Instrument 45-102 in completing the Sale Transaction.

Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated as of October 13, 2022

“Lynsey Sherry”

Name: Lynsey Sherry

Title: Chief Financial Officer