



Dolly Varden Silver Corporation Fall Winter 2012 Exploration Program Progress Report

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Dolly Varden Silver Corporation (“Dolly Varden” or the “Company”) (TSX-V:DV) (OTCBB: DOLLF) is pleased to report on the progress of its Fall 2012 exploration program. Fieldwork was initiated subsequent to the announcement of the Hecla Mining financing in a joint news release dated Sept. 10, 2012. The Company designed this late season program primarily to build a solid foundation of technical work for early launch of a 2013 Exploration Program.

The exploration camp at Alice Arm was re-opened and equipment and supplies mobilized by mid-September.

Diamond Drilling Program:

Diamond drilling commenced on September 19th on the Dolly Varden deposit, and to date a total of 6 holes (1,728 meters) have been completed. The core was drilled with downhole core-orientation techniques that will serve to better understand the grade and structural geology of a region of high grade silver intersections from historic drilling. The targeted DVT Zone was encountered in all 6 holes. Logging and sampling of these intervals is underway. The drill rig was demobilized from the Dolly Varden deposit on Oct. 20th.

Drilling pad construction is complete on the surface over the Torbrit zone, where drilling will test for extensions to the Torbrit deposit. The Torbrit was the main silver producer in the camp with 18.5 million ounces of silver produced from a year-round operation between 1950 to 1959, at mined grades of 17oz per ton silver.

Early onset of winter conditions has required that the diamond drilling on the Torbrit be deferred until early 2013 and the drill rig is currently being demobilized.

The core from the diamond drill program has been sent to the assay laboratory and results are pending.

Airborne Geophysical Program:

A helicopter flown ZTEM (Z-Axis Tipper Electromagnetic system) survey operated by Geotech Ltd. was completed on October 5, 2012 with a total of 733 line kilometers flown. Final products will be interpreted in conjunction with the VTEM survey flown for the Company in 2010. Results of the interpretation from these surveys will be announced when available.

Helicopter flown ZTEM is operated in a similar method as the well-known VTEM (Versatile Time Domain Electromagnetic) system, but rather than inducing a secondary field the way the VTEM Transmitter does, the ZTEM system uses the natural or passive fields of the Earth's worldwide thunderstorm activity as the source of transmitted energy. The Geotech proprietary receiver design, along with new advances made in modern digital electronics and signal processing, allows the ZTEM to acquire data at exceptionally low-noise levels. This makes the ZTEM an effective deep resistivity mapping solution, unique among airborne EM methods.

The 2012 ZTEM survey is designed to map deep geological structures at the Dolly Varden property and to delineate zones of footwall and stockwork mineralization associated with targeted volcanic exhalative mineralization and high-level sub-seafloor epithermal stockwork zones.

Geological, Geochemical and Structural Mapping:

Surface geological mapping, alteration studies, and geochemical sampling have focused on:

1. **Moose Lamb area:** that is interpreted to be an extension of the Torbrit deposit. Surface geological mapping has confirmed extensive areas of alteration and sulphide mineralization in an area of strong responses in the radiometric portion of the VTEM survey of 2010 (potassic alteration is interpreted).
2. **Redpoint Zone:** where the focus is on the relationship between two geological features: Firstly, the zone contains a strong alteration and precious metal bearing stockwork mineralization that is interpreted to be the VMS stockwork/feeder system to a gold- and silver-rich VMS target. Secondly, the eastern side of the zone is a laterally persistent sediment-volcanic contact. The exploration objective is to establish the link between the strong alteration – feeder zone and a potential blind precious metal rich VMS deposit hosted along the sediment – volcanic contact. The ZTEM system has the capability to trace this contact along strike and to a substantial depth, due to the resistivity contrast across the contact zone. Targeted in future diamond drilling programs will be the plunge of the resistive silicification zones, where they intersect the volcanic-sedimentary contact.
3. **Surprise Zone:** This area is located west of the Wolf deposit where historical results have revealed possibly bedded mineralization and contain copper – gold – silver values. This

mapping is aimed at defining the potential structural and stratigraphic links between the Surprise zone and the Wolf deposit.

Torbrit Mine: Rehabilitation of Underground Workings & Technical Program:

An underground mining crew was mobilized to site in early October, 2012 to secure access to the main Torbrit 1025 foot level. The work has been quite successful in a short period, gaining access to most of the workings and stopes on the main 1025 level and other sub-levels above.

Cambria Geosciences Inc. has recently completed the spatial registration of a significant amount of historical data into a 3D geological model of the Torbrit deposit that includes a full spatial location of the historical underground mining workings, stopes and remaining historical mineral resource blocks. The 3D model is proving to be instrumental in guiding the underground geological mapping and sampling crew that is currently working at Torbrit. Laser survey equipment is also being utilized to resurvey and verify the location of the underground stopes and adits along the 1025 foot level.

It is the Company's plan to be able to utilize the rehabilitated underground workings at Torbrit early in 2013, to allow for a year-round underground diamond drill program that will be comprised of the drill verification of historical mineral resources and the drilling of the deposit beyond its current limits.

The 2012 Fall Exploration program will continue as weather conditions allow and additional reports will be released as results are available.

About Dolly Varden

Dolly Varden Silver Corporation is a Canadian based mineral exploration company focused on the exploration and development of the Dolly Varden silver project located in northwestern British Columbia. The Company's common shares are listed and traded on the TSX-V under the symbol DV and in the U.S. under the symbol DOLLF.

The Dolly Varden silver project consists of 9,400 hectares which includes four historic, well-defined, high-grade silver deposits, two of which have seen historic production totaling 20 million ounces. All four mineral deposits have remaining historic silver resources and are situated in the same geologic setting as the past-producing Eskay Creek deposit. The Company has two strategies for creating value at the Dolly Varden silver project: to confirm and expand the existing historic silver resources with the goal to re-start the historic deposits; and to explore a major untested Eskay Creek-type gold- and silver-rich VMS target at Dolly Varden.

Paul McGuigan, P.Geo., Vice President of Exploration, has acted as the Qualified Person as defined in National Instrument 43-101 for this disclosure and has approved the technical information contained in this release.

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