



Damara Gold Corp.

An Exploration Stage Company

Condensed Consolidated Interim Financial Statements (un-audited)

April 30, 2019

Expressed in Canadian Dollars

DAMARA GOLD CORP.
An Exploration Stage Company
Nine Months Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

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**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

For further information please contact:

Lawrence Nagy, CEO or

Terese Gieselman, CFO

(250) 717-1840

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (un-audited)

As at April 30, 2019 and July 31, 2018

Expressed in Canadian Dollars

	Note	April 30 2019	July 31 2018
ASSETS			
Current			
Cash and cash equivalents	\$	117,800	\$ 339,261
Prepays		1,442	5,415
GST Recoverable		6,908	12,097
<hr/>			
Total current assets		126,150	356,773
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Total Assets	\$	126,150	\$ 356,773
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LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	6,10	9,315	49,740
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Total current liabilities		9,315	49,740
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Shareholders' Equity			
Share Capital	7	31,692,281	31,692,281
Contributed surplus		1,419,262	1,419,262
Deficit		(32,994,708)	(32,804,510)
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Total Shareholders' Equity		116,835	307,033
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Total Liabilities and Shareholders' Equity	\$	126,150	\$ 356,773
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Approved on behalf of the Board of Directors by:

/s/ Lawrence Nagy

Lawrence Nagy, Director

/s/ William Yeoman

William Yeoman, Director

See notes to condensed consolidated interim financial statements.

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (un-audited)

For the three and nine months ended April 30

Expressed in Canadian Dollars

		Three Months Ended		Nine Months Ended	
	Note	April		April	
		2019	2018	2019	2018
Expenses					
Administrative and general	9,10	\$ 25,035	\$ 25,654	\$ 190,198	\$ 138,208
Property investigation costs		-	(10,890)	-	2,765
Total expenses		(25,035)	(14,764)	(190,198)	(140,973)
Other income and expenses					
Gain on sale of marketable securities	5	-	-	-	191,815
Gain on settlement of debt		-	-	-	10,169
Net income (loss) for the period		(25,035)	(14,764)	(190,198)	61,012
Other comprehensive loss					
That may be re-cycled through profit or loss:					
Realized fair value gain on marketable securities	5	-	-	-	(191,815)
Total other comprehensive income		-	-	-	(191,815)
Total comprehensive loss for the period		\$ (25,035)	\$ (14,764)	\$ (190,198)	\$ (130,803)
Loss per share for the period - basic and diluted	11	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ 0.00

See notes to condensed consolidated interim financial statements.

DAMARA GOLD CORP.

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CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (un-audited)

For the nine months ended April 30

Expressed in Canadian Dollars

	Note	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance July 31, 2017		21,312,579	\$ 31,450,030	\$ 1,419,262	\$ 191,815	\$ (32,817,263)	\$ 243,844
Net loss for the period		-	-	-	-	61,012	61,012
Fair value of marketable securities	5	-	-	-	(191,815)	-	(191,815)
Shares issued for cash	7	5,000,000	250,000	-	-	-	250,000
Share issue costs		-	(7,749)	-	-	-	(7,749)
Balance April 30, 2018		26,312,579	\$ 31,692,281	\$ 1,419,262	\$ -	\$ (32,756,251)	\$ 355,292
	Note	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total	
Balance July 31, 2018		26,312,579	\$ 31,692,281	\$ 1,419,262	\$ (32,804,510)	\$ 307,033	
Net loss for the period		-	-	-	(190,198)	(190,198)	
Balance April 30, 2019		26,312,579	\$ 31,692,281	\$ 1,419,262	\$ (32,994,708)	\$ 116,835	

See notes to condensed consolidated interim financial statements.

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (un-audited)

For the nine months ended April 30

Expressed in Canadian Dollars

	Note	2019	2018
OPERATING ACTIVITIES			
(Loss) income for the period		\$ (190,198)	\$ 61,012
Items not affecting cash			
Realized gain on sale of marketable securities	5	-	(191,815)
Changes in non-cash working capital			
GST recoverable		5,189	(9,056)
Prepaid expenses and advances		3,973	(88)
Trade and other payables		(40,425)	(176,125)
Cash used in operating activities		(221,460)	(316,072)
INVESTING ACTIVITIES			
Proceeds from sale of marketable securities	5	-	451,978
Total cash provided by investing activities		-	451,978
FINANCING ACTIVITIES			
Repayment of loans			(15,000)
Proceeds from private placement	7	-	250,000
Share issue costs		-	(7,749)
Net cash provided by financing activities		-	227,251
(Decrease) increase in cash during the period		(221,460)	363,156
Cash beginning of period		339,261	2,772
Cash end of period		\$ 117,801	\$ 365,928

Supplemental Disclosure with Respect to Cash Flows (Note 13)

See notes to consolidated financial statements.

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2019 and 2018

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Damara Gold Corp. (“Damara” or the “Company”) was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia as Solomon Resources Limited. On September 30, 2014, the Company changed its name to Damara Gold Corp. Effective October 1, 2014 the Company commenced trading on the TSX Venture Exchange (the “Exchange”) under the symbol “DMR” as a Tier 2 issuer.

The Company is in the business of identifying and acquiring prospective and under-explored gold properties worldwide. The Company’s corporate head office is at Suite 335 – 1632 Dickson Ave, Kelowna, BC V1Y 7T2.

2. BASIS OF PREPARATION AND GOING CONCERN

These condensed interim consolidated financial statements for the three and nine month period ended April 30, 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2018 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company’s 2018 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from August 1, 2018 and income tax expense which is expected for the full financial year.

The preparation of condensed consolidated interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in Note 4. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on June 18, 2019.

The condensed consolidated interim financial statements are presented in Canadian dollars (“CDN”), which is the Company’s and its subsidiaries’ functional currency.

Going Concern

The Company has not yet achieved profitable operations. These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company had a net loss of \$190,198 for the period ended April 30, 2019 (April 30, 2018 - \$61,012 income) and has accumulated a deficit of \$32,994,708 (July 31, 2018 - \$32,804,510) since inception.

The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company’s operating and mineral property commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Although the Company has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These conditions indicate the existence of material uncertainties, which casts significant doubt about the Company’s ability to continue as a going concern.

No adjustments to the carrying values of the assets and liabilities have been made in these condensed consolidated interim financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis, which may differ materially from the going concern basis.

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Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2019 and 2018

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Consolidation**

These consolidated financial statements include the accounts of the Company and its subsidiaries as follows:

	% of ownership	Jurisdiction	Principal Activity
Avasca Inc.	100	British Columbia	Dormant
Valhalla Minerals U.S. Inc.	100	Delaware	Dormant

All significant intercompany balances and transactions have been eliminated on consolidation.

Future Accounting Pronouncements

During the period ended April 30, 2019, the Company adopted the new accounting standard IFRS 9, Financial Instruments effective for the Company's annual period beginning August 1, 2018. The Company has not restated comparative information for prior periods with respect to the classification and measurement requirements of IFRS 9 and accordingly, the comparative information for the year ended July 31, 2018 is presented under IAS 39 *Financial Instruments: Recognition and Measurement*. There were no changes to the carrying value of any of the Company's assets or liabilities as a result of this new accounting standard.

The Company's marketable securities and investment consist of equity securities. For marketable securities and investment not held for trading, the Company may make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. The Company elected to designate its marketable securities as financial assets at FVTOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income only and will not be recycled into income (loss) upon disposition. As a result of adopting IFRS 9, the net change in fair value of the marketable securities, including realized and unrealized gains and losses, if any, is now presented as an item that will not be reclassified subsequently to profit or loss in the statement of loss and comprehensive loss.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

This standard is applicable to the Company's annual period beginning on or after August 1, 2019. Management is further analyzing the future effects of this standard and in discussions with the board regarding any impact the adoption of this standard may have.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 Share-based Payment)

The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for the Company's annual period beginning on August 1, 2019.

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Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2019 and 2018

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below.

Critical Judgments*Going Concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5. MARKETABLE SECURITIES

During the period ended April 30, 2018 the Company, pursuant to receipt of Exchange acceptance closed the sale of 9,039,560 Osino Shares at a price of \$0.05 per share for gross proceeds of \$451,978 to arms-length purchasers and recorded a gain on sale of \$191,815 and reducing other comprehensive income to \$Nil. During the period ended April 30, 2018, the Company recorded an unrealized gain in other comprehensive loss of \$191,815.

6. TRADE AND OTHER PAYABLES

	April 30 2019	July 31 2018
Trade payables	\$5,876	\$33,825
Due to related parties - Note 10	3,439	\$15,915
Total	\$9,315	\$49,740

During the period ended April 30, 2018 the Company settled trade payables with a third party vendor resulting in a gain on settlement of debt of \$10,169.

7. SHARE CAPITAL**(a) Authorized Share Capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) Common Shares

There were no shares issued during the period ended April 30, 2019.

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(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2019 and 2018

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd)

During the year ended July 31, 2018 the Company issued the following:

On August 31, 2017 the Company completed a non-brokered private placement (the "Placement") for 5,000,000 units (the "Unit") at a price of \$0.05 per Unit for gross proceeds of \$250,000. Each Unit consists of one common share and one common share purchase warrant (the "Warrant"). Each Warrant entitles the holder to purchase an additional common share of the Company at a price of \$0.10 until August 31, 2020.

(c) Share Purchase Warrants

The following is a summary of changes in warrants from August 1, 2017 to April 30, 2019:

	Number of Warrants	Exercise Price	Weighted Average Exercise Price
Balance, July 31, 2017	5,957,351	\$0.15	\$0.15
Issued	5,000,000	\$0.10	\$0.10
Balance at July 31, 2018 and April 30, 2019	10,957,351		\$0.13

As at April 30, 2019 the share purchase warrants have a weighted average remaining contractual life of 1.60 (July 31, 2018 – 2.34) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
January 18, 2021	\$0.15	1,475,000
March 2, 2021	\$0.15	4,482,351
August 31, 2020	\$0.10	5,000,000
Total		10,957,351

8. SHARE-BASED PAYMENTS**(a) Option Plan Details**

The Company has an incentive stock option plan (the "Plan") that allows it to grant share purchase options to its employees, directors, consultants and management company employees. Under the terms of the Plan, the exercise price of each option will not be lower than the lowest exercise price permitted by the Exchange (currently \$0.05). The Plan allows for a maximum of 10% of outstanding shares to be issued under the Plan. The Plan is subject to annual shareholder approval.

Options have a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant or management company employee, and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of the death of an optionee, the options terminate at the earlier of twelve months after the date of death and the expiration of the option period. Vesting of options is determined by the Board of Directors at the time the options are granted. Options issued to consultants providing investor relations activities must vest in stages over twelve months with no more than one-quarter of the options vesting in any three-month period.

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For the Nine Months Ended April 30, 2019 and 2018

(Expressed in Canadian Dollars)

8. SHARE-BASED PAYMENTS (cont'd)

Stock option activity from August 1, 2018 to April 30, 2019 was as follows:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Expired	Closing Balance	Vested and Exercisable
27-Jul-16	27-Jul-21	\$0.05	1,425,000	-	(275,000)	1,150,000	1,150,000
Weighted Average Exercise Price			\$0.07	-	\$0.05	\$0.05	\$0.05
Weighted Average Life Remaining (years)			2.99	-	-	2.24	2.24

Stock option activity from August 1, 2017 to July 31, 2018 was as follows

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Expired	Closing Balance	Vested and Exercisable
13-Dec-12	13-Dec-17	\$1.00	30,000	-	(30,000)	-	-
27-Jul-16	27-Jul-21	\$0.05	1,600,000	-	(175,000)	1,425,000	1,425,000
			1,630,000	-	(205,000)	1,425,000	1,425,000
Weighted Average Exercise Price			\$0.07	-	\$0.19	\$0.05	\$0.05
Weighted Average Life Remaining (years)			3.93	-	-	2.99	2.99

(b) Fair Value of Options Granted During the Period

There were no options granted during the period ended April 30, 2019 and 2018.

9. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	Three Months Ended		Nine Months Ended	
		April 30		April 30	
		2019	2018	2019	2018
Administrative and General Expenses					
Accounting and legal		\$ (14,104)	\$	\$ 44,671	\$ 8,058
Consulting	10	25,825	24,200	80,138	83,900
Website, shareholder communication		-	(1,180)	4,530	3,121
Exchange loss		-	-	-	831
Office and administration fees		2,655	276	9,238	21,431
Regulatory fees		5,200	(1,769)	37,973	5,913
Rent	10	5,049	3,032	11,299	9,046
Transfer agent fees		410	1,095	2,349	4,939
Travel		-	-	-	969
		\$ 25,035	\$ 25,654	\$ 190,198	\$ 138,208

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Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2019 and 2018

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10. RELATED PARTY TRANSACTIONS**(a) Key Management Compensation**

	April 30 2019	April 30 2018
Key management personnel compensation comprised:		
Consulting fees:	\$75,038	\$83,900

- (i) Consulting fees of \$45,000 (2018 - \$50,000) were paid and/or accrued to 43983 Yukon Inc. ("43983") a company, controlled by Lawrence Nagy, Chief Executive Officer, of the Company.
- (ii) Consulting fees of \$26,600 (2018 - \$32,525) were paid and/or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselmann, the Chief Financial Officer of the Company.
- (iii) Administrative fees of \$3,438 (2018 - \$1,375) were paid and/or accrued to Minco in relation to providing administrative and accounting services.

(b) Rent

The Company currently pays Golden Ridge Resources Ltd. rent and expenses on a month to month basis for shared offices space at approximately \$1,000 per month for total \$11,299 (2018 -\$9,046).

(c) Related Party Liabilities

Amounts due to:	Service for:	April 30 2019	July 31 2018
Minco	Consulting Fees	\$3,439	\$6,090
Minco	Expenses	-	679
Golden Ridge Resources Ltd. ¹ - common directors	Rent & Expenses	-	10,108
Total related party payables		\$3,439	\$16,877

¹ Rent and Expenses incurred on behalf of Damara for shared office space and administrative personnel expenses. These amounts are non-interest-bearing and due on demand.

11. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period.

	April 30 2019	April 30 2018
Net loss attributable to ordinary shareholders	(\$190,198)	\$61,012
Weighted average number of common shares	26,312,579	25,744,813
Basic and diluted loss per share	(\$0.01)	\$0.00

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Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2019 and 2018

(Expressed in Canadian Dollars)

12. COMMITMENTS

Amalgamation

On September 5, 2018 the Company entered into a business combination agreement as amended from time to time (the “Business Combination Agreement”) with New Found Gold Corp. (“New Found Gold”), a private Ontario corporation, whereby Damara would acquire (the “Proposed Transaction”) all of the outstanding shares of New Found Gold (the “NFG Shares”) in exchange for common shares of the Company pursuant to which the Company had intended on completing a reverse takeover transaction with New Found Gold Corp.

On June 13, 2019, the parties terminated the Business Combination Agreement.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the period ended April 30, 2019 and 2018 the following transactions were excluded from the consolidated statements of cash flows:

1. The Company settled trade payables with an arm’s length vendor in the amount of \$Nil (2018 - \$17,859) for payment of \$Nil (2018 - \$7,690), recording a \$Nil (2018 - \$10,169) gain on the settlement.