NEWS RELEASE

Damara Announces Completion of Phase I Work Program on its Princeton Gold Property; Target Quartz Vein Intersected in Eight of Nine Holes Drilled

February 2, 2021 TSX-V: DMR

DAMARA GOLD CORP. (TSX-V:DMR) ("**Damara**" or the "**Company**") is pleased to announce that the Company has completed the first phase of exploration on its Princeton Gold Property located near Princeton, British Columbia. The Property is under option from Universal Copper Ltd., via an assignment agreement with Canagold Resources Ltd. The Phase I exploration program consisted of a high-resolution, near-surface DIAS32 3D IP and Resistivity survey and 533m of diamond drilling. Drilling was completed by Full Force Diamond Drilling Ltd. of Peachland, British Columbia, and the 3D IP survey was completed by Dias Geophysical of Saskatoon, Saskatchewan.

The Phase I program was designed to test the Alpha Vein, a gold mineralized quartz vein discovered during the construction of logging roads approximately 20 km south of the Copper Mountain Mine near Princeton, BC.[1] Damara's Phase I drill program consisted of 9 holes drilled as a series of fans from 3 separate pad locations, testing for the presence of high-grade shoots along the vein and at depth. The Phase I drill program represents the first ever drill testing of the recently discovered vein. In order to assist with planning the next phase of drilling, a 3D IP-Resistivity survey was conducted on tightly spaced (10m) dipoles, providing a high-resolution 3D model of the chargeability and resistivity in the near surface.

Program Highlights

- Eight of the nine holes drilled into the Alpha Vein target intersected varying thicknesses of quartz vein ranging up to 7m (Hole PG-20-003).[2]
- Drill hole PG-20-005, drilled to the west of the discovery outcrop, encountered two vein intersections, indicating that it bifurcates at depth and may be swelling towards the west (3.1m followed by a second 2.6m intercept further downhole).[2]
- Outward from all the veins, a strong sericite-pyrite alteration halo extends several meters into both the hanging wall and the footwall of the volcanic wall rock.
- The 3D-IP survey reveals a strong (>30 mV/V) chargeability anomaly that parallels the vein and extends laterally in both directions and to depth where it remains open, potentially representing a deeper feeder zone or extension of the Alpha Vein Zone.

Cross-sections, a plan map and photographs of core boxes containing quartz vein samples sent for rush assay have been posted to the Company's website and can be viewed at the following link: 2020 Princeton Drill Media - Damara Gold Corp.

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[1] Adjacent Properties – This news release contains information about adjacent properties on which Damara does not have the right to explore or mine. Investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.

[2] True thickness unknown.

Core Recovery

Overall core recovery was quite good in the quartz vein, with the exception of the first shallow hole drilled, PG-20-001, which had a very poor recovery of 25%. Following the completion of hole 1, a strategy was implemented which successfully increased core recoveries on the remaining holes. A table of quartz vein intercepts and the respective core recoveries within those sections are presented in Table 1 below.

Table 1 – Quartz Vein Recoveries

Hole ID	Quartz Vein From (m)	Quartz Vein To (m)	Interval (m)	Core Recovery (%)	Note
PG-20-001	15.0	17.0	2.0	25.0	
PG-20-002	21.5	25.5	4.0	75.0	
PG-20-003	54.5	61.5	7.0	94.0	
PG-20-004	17.4	18.0	0.6	83.0	
PG-20-005	29.0	32.5	3.5	97.0	
PG-20-005	34.5	37.1	2.6	97.0	
PG-20-006	74.1	75.1	1.0	97.0	
PG-20-007	17.5	18.6	1.1	85.5	
PG-20-008	30.5	36.2	5.7	98.0	*Strongly silicified zone. No discrete vein.
PG-20-009	52.4	58.1	5.7	100.0	

Qualified Person

Dr. Gerald G. Carlson, PhD, PEng, technical advisor to the Company, is the Qualified Person as defined by National Instrument 43-101 who has reviewed and approved the technical data in this release.

About Damara

Damara Gold Corp. is a TSX Venture listed mineral exploration company actively focused on the exploration of its Princeton Gold Property, located in Princeton, BC, currently under option from Universal Copper Ltd. Damara's Board of Directors is seasoned in the mineral exploration industry with extensive and successful international experience. For more information please visit: http://www.damaragoldcorp.com/

ON BEHALF OF THE BOARD OF DIRECTORS OF DAMARA
"Larry Nagy"
Larry Nagy, Chief Executive Officer

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