



Damara Gold Corp.

Condensed Interim Financial Statements (un-audited)

For the Three and Six Months Ended January 31, 2024

Expressed in Canadian Dollars

DAMARA GOLD CORP.
January 31, 2024
(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

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (un-audited)

As at January 31, 2024 and July 31, 2023

Expressed in Canadian Dollars

	Note	January 31 2024	July 31 2023
ASSETS			
Current			
Cash		\$ 16,148	\$ 29,810
Receivables		6,037	1,873
Prepays		489	1,114
		22,674	32,797
Non Current			
Reclamation bond		50,000	50,000
Exploration and evaluation assets	5	2,665,861	2,666,250
Total Assets		\$ 2,738,535	\$ 2,749,047
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	10	141,241	78,384
Shareholders' Equity			
Share Capital	6	34,919,997	34,919,997
Contributed surplus	7	1,622,792	1,622,792
Deficit		(33,945,495)	(33,872,126)
Total Shareholders' Equity		2,597,294	2,670,663
Total Liabilities and Shareholders' Equity		\$ 2,738,535	\$ 2,749,047

Approved on behalf of the Board of Directors by:

/s/ Lawrence Nagy

Lawrence Nagy, Director

/s/ William Lindqvist

William Lindqvist, Director

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (un-audited)

For the three and six months ended January 31

Expressed in Canadian Dollars

	Note	Three Months Ended January 31		Six Months Ended January 31	
		2024	2023	2024	2023
Expenses					
Administrative and general	8,9,10	\$ 39,459	\$ 45,852	\$ 73,724	\$ 90,936
Total Expenses		(39,459)	(45,852)	(73,724)	(90,936)
Other items					
Interest revenue		159	1,350	355	2,069
Other income		-	-	-	1,002
Net loss and comprehensive loss for the period		\$ (39,300)	\$ (44,502)	\$ (73,369)	\$ (87,865)
Loss per share for the period - basic and diluted	11	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00

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

DAMARA GOLD CORP.

(An Exploration Stage Company)

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

For the six months ended January 31, 2024

Expressed in Canadian Dollars

	Note	Share Capital	Contributed Surplus	Deficit	Total
Balance at July 31, 2022		\$ 34,721,204	\$ 1,554,250	\$(33,681,299)	\$ 2,594,155
Net loss for the period		-	-	(87,865)	(87,865)
Share issued for exploration and evaluation assets	5,6	200,000	-	-	200,000
Share issue costs	6	(362)	-	-	(362)
Balance at January 31, 2023		\$ 34,721,204	\$ 1,554,250	\$(33,769,164)	\$ 2,705,929

	Note	Share Capital	Contributed Surplus	Deficit	Total
Balance at July 31, 2023		34,919,997	1,622,792	(33,872,126)	2,670,663
Net loss for the period		-	-	(73,369)	(73,369)
Balance at January 31, 2024		\$34,919,997	\$ 1,622,792	\$(33,945,495)	\$ 2,597,294

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

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (un-audited)

For the six months ended January 31

Expressed in Canadian Dollars

	Note	2024	2023
OPERATING ACTIVITIES			
Loss for the period		\$ (73,369)	\$ (87,865)
Items not affecting cash			
Other revenue		-	(1,002)
Changes in non-cash working capital			
Receivables		(4,164)	48,780
Prepaid expenses and advances		625	(1,250)
Trade and other payables		62,857	(34,918)
Cash used in operating activities		(14,051)	(76,255)
INVESTING ACTIVITIES			
Exploration and evaluation asset expenditures	5	389	(99,606)
Total cash provided (used) in investing activities		389	(99,606)
FINANCING ACTIVITIES			
Share issue costs		-	(362)
Cash provided in financing activities		-	(362)
Decrease in cash during the period		(13,662)	(176,223)
Cash beginning of period		29,810	307,508
Cash end of period		\$ 16,148	\$ 131,285

Supplemental Disclosure with Respect to Cash Flows (Note 12)

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

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(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 Avenue, Kelowna, BC V1Y 7T2.

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS

These condensed interim financial statements for the three and six month period ended January 31, 2024 and 2023 and 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 July 31, 2023 audited annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"), and Interpretations of the International Financial Reporting Interpretations Committee. The preparation of condensed 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 interim financial statements are disclosed in Note 4.

The financial statements were authorized for issue by the Board of Directors on March 19, 2024.

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial assets, which have been measured at fair value. The methods used to measure fair value are discussed in Note 3 of the Company's July 31, 2023 audited annual financial statements. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information. The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not generated revenues from its operations to date. During the period ended January 31, 2024 the Company incurred a net loss of \$73,369 (January 31, 2023 - \$87,865) and, as of that date, had a deficit of \$33,945,495 (July 31, 2023 - \$33,872,126). The Company currently has a working capital deficiency of \$118,567 as at January 31, 2024 (July 31, 2023 - \$45,587).

The Company will continue to have to raise funds beyond its current working capital balance in order to continue the development of its exploration properties and general operations.

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS (cont'd)

These conditions indicate the existence of material uncertainties, which cast significant doubt about the Company's ability to continue as a going concern.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus ("**COVID-19**") pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

While it cannot be assured, the Company expects reduced forward-impact of COVID-19 as it relates to the mining sector to generally be in line with normalization of its effects within the broader business sector during 2024 and beyond.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed interim financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited financial statements for the year ended July 31, 2023. These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended July 31, 2023.

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 financial statements are discussed below.

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (cont'd)**Critical Estimates***Valuation of Share-based Payments*

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Critical Judgments*Impairment of Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. The assessment of impairment indicators, impairment tests, and recoverable value models have a degree of estimation and judgment which may differ in the future.

Mining Exploration Tax Credits

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits.

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.

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	British Columbia Placer Mountain	Quebec VanLab	Total
Balance at July 31, 2022	\$2,361,248	-	\$2,361,248
Acquisition costs	-	271,724	271,724
Exploration costs	33,278	-	33,278
Balance at July 31, 2023	2,394,526	271,724	2,666,250
Acquisition costs	111	-	111
Exploration costs	(500)	-	(500)
Balance at January 31, 2024	\$2,394,137	\$271,724	\$2,665,861

British Columbia***Placer Mountain Property, British Columbia***

On October 15, 2020, Damara entered into an assignment and assumption agreement with Canagold Resources Ltd. (“**Canagold**”) pursuant to which Canagold has assigned (the “**Assignment**”) all of its rights, obligations, interests and assets with respect to a property option agreement dated December 20, 2018 and amended on June 3, 2019 (the “**Option Agreement**”) between Canagold, Universal Copper Ltd. (“**Universal**”), and Sydney Wilson (“**Wilson**”) to acquire a 75% interest (the “**Option**”) in certain mineral claims located approximately 35km south of Princeton, British Columbia of Universal and Wilson (“**Placer Mountain**” or the “**Property**”), subject to the Universal NSR and Wilson NSR (as defined herein).

The Property is subject to a 1% net smelter return (“**NSR**”) to Universal which can be purchased for \$1,000,000 (the “**Universal NSR**”) and a 2% NSR to Wilson which can be reduced to 1% for cash purchase of \$1,000,000 (the “**Wilson NSR**”).

On April 13, 2021, the Company, in accordance with the terms of the Option Agreement, provided notice (the “**Notice**”) of its intent to exercise the Option and acquire its 75% interest and on August 4, 2021 the parties entered into a definitive joint venture agreement (the “**JV Agreement**”). Pursuant to the terms of the Option Agreement, Damara made the cash payment of \$25,000 to Universal on execution of the JV Agreement. Pursuant to the terms of the JV Agreement, Universal’s interest has been diluted to 16% as at January 31, 2024 (July 31, 2023 - 16%) for non-contribution to the exploration programs.

Consideration for the Assignment included:

- Completion of \$300,000 in earn-in exploration expenditures (completed);
- The issuance of 3,989,950 common shares with a fair value of \$292,922 issued on or before December 31, 2020 (issued); and
- The issuance of 9,841,371 common shares with a fair value of \$738,103 issued on or before December 31, 2021 (issued).

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd)**Quebec*****VanLab Property***

On December 22, 2022 the Company entered into purchase agreement (the "**Purchase Agreement**") to acquire a 100% undivided interest (the "**Interest**") in 203 mineral exploration claims located in the Labrador Trough region of Quebec, (collectively, the "**VanLab Property**") with two arm's length sellers (the "**Sellers**").

Consideration to acquire the Interest included the following:

- The issuance of an aggregate of 4,000,000 units (each a "**Unit**") to the Sellers with a fair value of \$200,000 (issued Note 6). Each Unit is comprised of one common share and one non-transferable share purchase warrant (each a "**VanLab Warrant**"). Each VanLab Warrant entitles the holder to acquire one additional common share at an exercise price of \$0.25 until December 23, 2025; and
- Damara has granted to the Sellers a 2% net smelter return royalty (the "**NSR Royalty**").

Pursuant to the terms of the Purchase Agreement, the Sellers may be entitled to a 0.5% net smelter return royalty in any interest Damara acquires in additional claims within an area of interest of the VanLab Property.

6. 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

	Number	Issue Price	Total
Balance at July 31, 2022	69,515,389	-	\$34,721,204
Shares issued for exploration and evaluation assets	4,000,000	\$0.05	200,000
Share issue costs	-	-	(1,207)
Balance at July 31, 2023 and January 31, 2024	73,515,389	-	\$34,919,997

During the period ended January 31, 2024 there were no shares issued.

During the year ended July 31, 2023, the Company issued the following:

- On December 23, 2022, the Company issued 4,000,000 common shares pursuant to the VanLab Purchase Agreement described in Note 5 hereinabove. The Common Shares were valued at \$200,000 as determined by the market price when issued, being \$0.05 per share.

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)**(b) Common Shares**

- The Company also issued 4,000,000 VanLab Warrants as described in Note 5 hereinabove. The fair value of the non-cash share issuance costs of \$68,542 for the VanLab Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.05, exercise price of \$0.25, risk-free interest rate of 4.02%, average projected volatility of 103.97 %, dividend yield of nil, average expected life of the VanLab Warrants of 3 years, and the fair value of the warrants of \$0.02. Additional share issue costs of \$1,207 were recorded for regulatory filing fees, administration, and transfer agent fees.

(c) Share Purchase Warrants

The following is a summary of changes in warrants from August 31, 2022 to January 31, 2024:

	Number of Warrants	Weighted Average Exercise Price
Balance at July 31, 2022	18,203,184	\$0.12
Expired	(18,203,184)	\$0.12
Issued	4,000,000	\$0.25
Balance at July 31, 2023 and January 31, 2024	4,000,000	\$0.25

As at January 31, 2024, the 4,000,000 (July 31, 2023 – 4,000,000) share purchase warrants have a weighted average remaining contractual life of 1.90 (July 31, 2023 – 2.40) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
December 23, 2025	\$0.25	4,000,000
Total		4,000,000

(d) Agents' Warrants

The following is a summary of changes in agents' warrants from August 1, 2022 to January 31, 2024:

	Number of Warrants	Weighted Average Exercise Price
Balance at July 31, 2022	1,021,140	\$0.14
Expired	(1,021,140)	\$0.14
Balance at July 31, 2023 and January 31, 2024	-	-

As at January 31, 2024 and July 31, 2023 there were no agent warrants outstanding.

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

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

The Company adopted a stock option plan (the “**Plan**”) to grant options to directors, senior officers, employees, and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options vest when granted unless otherwise specified by the Board of Directors.

Stock option activity from August 1, 2022 to January 31, 2024 was as follows:

	Number of Options	Weighted Average Exercise Price
Balance at July 31, 2022	2,700,000	\$0.08
Expired	(200,000)	\$0.08
Balance at July 31, 2023 and January 31, 2024	2,500,000	\$0.08

As at January 31, 2024, the following options were outstanding:

Expiry Date	Exercise Price	Number of Options
July 26, 2026	\$0.08	1,900,000
December 30, 2026	\$0.08	100,000
January 21, 2027	\$0.08	300,000
June 9, 2027	\$0.08	200,000
		2,500,000

As at January 31, 2024, 2,500,000 (July 31, 2023 - 2,500,000) options were outstanding and exercisable with a weighted average remaining contractual life of 2.63 (July 31, 2023 – 3.13) years.

(b) Fair Value of Options Issued During the Period

During the period ended January 31, 2024 and January 31, 2023 there were no options granted.

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

8. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	For the Three Months Ended January 31		For the Six Months Ended January 31	
		2024	2023	2024	2023
Accounting and legal	9	\$3,805	\$1,836	\$4,548	\$2,053
Consulting		23,148	\$25,620	43,673	\$46,145
Website, shareholder communication, conferences	9	-	\$2,125	3,012	\$14,992
Office and administration fees		4,335	\$4,404	6,857	\$8,907
Insurance	10	2,868	\$2,769	7,153	\$4,616
Filing fee		2,773	\$3,000	2,818	\$6,000
Rent		1,500	\$4,717	3,000	\$4,717
Transfer agent fees		1,105	\$1,381	2,042	\$2,364
Travel		(75)	-	619	\$1,143
		\$39,459	\$45,852	\$73,724	\$90,936

9. KEY MANAGEMENT COMPENSATION

Compensation for key management and personnel, including Company officers, directors, and private companies controlled by officers and directors, was as follows:

	January 31 2024	January 31 2023
Key management personnel compensation comprised:		
Consulting fees	\$44,096	\$46,145
Administration	5,236	\$7,409
	\$49,332	\$53,554

Included in trade and other payables are amounts due to officers and directors and related parties for fees and expenses of \$85,391 at January 31, 2024 (July 31, 2023 - \$33,340).

10. RELATED PARTY TRANSACTIONS**Rent**

The Company currently pays Golden Ridge Resources Ltd. (a company with common directors and officers) rent and expenses on a month-to-month basis for shared offices space for total rent during the period ended January 31, 2024 of \$3,000 (2023 - \$6,000).

DAMARA GOLD CORP.

Notes to Financial Statements

For the Three and Six Months Ended January 31, 2024 and 2023 (un-audited)

(Expressed in Canadian Dollars)

11. LOSS PER SHARE

	January 31 2024	January 31 2023
Net loss attributable to ordinary shareholders	(\$73,369)	(\$87,865)
Weighted average number of common shares	73,515,389	74,367,848
Basic and diluted loss per share	(\$0.00)	(\$0.00)

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

12. 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 statements of cash flows. During the periods ended January 31, 2024 and 2023, the following transactions were excluded from the statements of cash flows:

- i) Included in accounts payable is \$Nil (2023 - \$3,052) of exploration expenditures that are capitalized to exploration and evaluation assets.

During the periods ended January 31, 2024 and 2023, the Company paid \$Nil for income taxes and interest.

13. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada. The Company's non-current assets as at January 31, 2024 and July 31, 2023 are all in Canada.