



Damara Gold Corp.

Condensed Consolidated Interim Financial Statements (un-audited)

April 30, 2021

Expressed in Canadian Dollars

DAMARA GOLD CORP.
Nine Months ended April 30, 2021 and 2020
(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, 2021 and July 31, 2020

Expressed in Canadian Dollars

| | Note | April 30 2021 | July 31 2020 |
|---|------|-------------------|------------------|
| ASSETS | | | |
| Current | | | |
| Cash and cash equivalents | | \$ 53,310 | \$ 68,623 |
| Prepays | | 13,768 | 394 |
| Receivables | | 2,210 | 1,986 |
| | | 69,288 | 71,003 |
| Non-Current | | | |
| Exploration and evaluation assets | 5 | 576,114 | - |
| Total Assets | | \$ 645,402 | \$ 71,003 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current | | | |
| Trade and other payables | 9 | 12,142 | 52,307 |
| Shareholders' Equity | | | |
| Share Capital | 6 | 32,471,021 | 31,692,281 |
| Contributed surplus | 6 | 1,427,631 | 1,419,262 |
| Deficit | | (33,265,392) | (33,092,847) |
| Total Shareholders' Equity | | 633,260 | 18,696 |
| Total Liabilities and Shareholders' Equity | | \$ 645,402 | \$ 71,003 |

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

| | Note | Three Months Ended April 30 | | Nine Months Ended April 30 | |
|--|------|--------------------------------|------------|-------------------------------|-------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Expenses | | | | | |
| Administrative and general | 8 | \$ 39,696 | \$ (8,669) | \$ 108,899 | \$ 31,235 |
| Property evaluation | | - | - | 63,646 | - |
| Total Expenses | | (39,696) | \$ 8,669 | (172,545) | (31,235) |
| Net loss and comprehensive loss for the period | | \$ (39,696) | 8,669 | \$ (172,545) | \$ (31,235) |
| 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.

(An Exploration Stage Company)

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 | Deficit | Total |
|-------------------------|------|------------------|---------------|---------------------|----------------|----------|
| Balance July 31, 2019 | | 26,312,579 | \$31,692,281 | \$1,419,262 | \$(33,026,132) | \$85,411 |
| Net loss for the period | | - | - | - | (31,235) | (31,235) |
| Balance April 30, 2020 | | 26,312,579 | \$31,692,281 | \$1,419,262 | \$(33,057,367) | \$54,176 |

| | Note | Number of Shares | Share Capital | Contributed Surplus | Deficit | Total |
|--|------|-------------------|---------------------|---------------------|-----------------------|------------------|
| Balance July 31, 2020 | | 26,312,579 | \$31,692,281 | \$1,419,262 | \$(33,092,847) | \$18,696 |
| Net loss for the period | | - | - | - | (172,545) | (172,545) |
| Share issued for exploration and evaluation assets | 5,6 | 3,989,950 | 292,923 | - | - | 292,923 |
| Fair value of agent warrants issued | 6 | - | - | 8,369 | - | 8,369 |
| Share issued for private placement | 6 | 10,000,000 | 500,000 | - | - | 500,000 |
| Share issue costs | 6 | - | (14,182) | - | - | (14,182) |
| Balance April 30, 2021 | | 40,302,529 | \$32,471,022 | \$1,427,631 | \$(33,265,392) | \$633,260 |

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 | 2021 | 2020 |
|--|------|------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Loss for the period | | \$ (172,545) | \$ (31,235) |
| Changes in non-cash working capital | | | |
| Receivables | | (224) | 21,373 |
| Prepaid expenses and advances | | (13,374) | (1,875) |
| Trade and other payables | | (48,661) | 8,324 |
| Cash used in operating activities | | (234,804) | (3,412) |
| INVESTING ACTIVITIES | | | |
| Exploration and evaluation asset expenditures | 5 | (274,696) | - |
| Total cash used in investing activities | | (274,696) | - |
| FINANCING ACTIVITIES | | | |
| Share issued for private placement | 6 | 500,000 | - |
| Share issue costs | 6 | (5,813) | - |
| Cash provided in financing activities | | 494,187 | - |
| Decrease in cash during the period | | (15,313) | (3,412) |
| Cash beginning of period | | 68,623 | 80,524 |
| Cash end of period | | \$ 53,310 | \$ 77,112 |

Supplemental Disclosure with Respect to Cash Flows (Note 12)

See notes to consolidated financial statements.

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(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 CONTINUANCE OF OPERATIONS

These condensed consolidated interim financial statements for the nine-month period ended April 30, 2021 and 2020 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, 2020 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 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 29, 2021.

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 consolidated 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 \$172,545 for the nine months ended April 30, 2021 (2020 - \$31,235) and has accumulated a deficit of \$33,265,392 (July 31, 2020 - \$33,092,847).

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

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

The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company's operating commitments as they come due which has been funded primarily by the issuance of equity. The Company's ability to continue its operations is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs in the future. 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 consolidated 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.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and subsidiaries that were held in prior years that are no longer active and were dissolved. All prior year significant intercompany balances and transactions were eliminated on consolidation.

Future Accounting Standards

IFRS 17 Insurance Contracts

IFRS 17 *Insurance Contracts* ("IFRS 17") is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts*, and related interpretations. This standard will be effective for the Company's annual period beginning July 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(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

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. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

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.

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 Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Placer Mountain Property, British Columbia

On October 16, 2020, Damara entered into an assignment and assumption agreement with Canagold Resources Ltd Resources Corp. (“**Cangold**”) pursuant to which Cangold 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 Canarc, Universal Copper Ltd. (“**Universal**”) and Sydney Wilson (“**Wilson**”) to acquire a 75% interest (the “**Option**”) in certain mineral claims of Universal and Wilson (“**Placer Mountain**” or the “**Property**”).), subject to the Universal NSR and Wilson NSR (as defined herein).

The Property is comprised of 22 mineral claims covering approximately 8,955 hectares located approximately 35km south of Princeton, British Columbia.

On December 7, 2020 the Company received Exchange approval and completed the Assignment and Financing as further defined in Note 6.

Consideration for the Assignment of the Option Agreement includes:

- spending \$300,000 in exploration expenses on or before December 31, 2020 (“**Earn-In Expenditures**”) (completed);
- the issuance of 3,594,941 common shares of the Company to Cangold within 5 days of Exchange acceptance (issued); and
- subject to the exercise of the Option on or before December 31, 2021, the issuance of such number of Damara Shares that increases Cangold’s aggregate ownership in the capital of Damara to 19.9% (395,009 partial issuance to date).

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

During the period ended April 30, 2021, the Company issued an aggregate 3,989,950 common shares with a fair value of \$292,923 pursuant to the Option (Note 6) to Cangold.

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. Further to confirmation of the Earn-In Expenditures on April 30, 2021, Damara and Universal agreed to form a 75% - 25% joint venture (the “**JV**”) and within 75 days shall enter into a definitive joint venture agreement (the “**JV Agreement**”). Execution of the JV Agreement is subject to a cash payment of \$25,000 to Universal.

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS**Realization**

The Company's investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production or proceeds from the disposition thereof.

a. Title

Although the Company has taken steps to ensure the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

b. Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

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

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

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

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

| | Note | Number | Issue Price | Total |
|--|----------|-------------------|----------------|---------------------|
| Balance at July 31, 2020 and 2019 | | 26,312,579 | - | \$31,692,281 |
| Shares issued for private placement | | 10,000,000 | \$0.05 | 500,000 |
| Shares issued for exploration and evaluation assets | 5 | 3,594,941 | \$0.065 | 233,671 |
| Shares issued for exploration and evaluation assets | 5 | 395,009 | \$0.15 | 59,251 |
| Share issue costs | | - | - | (14,182) |
| Balance April 30, 2021¹ | | 40,302,529 | | \$32,471,021 |

¹ See Events after the Reporting Date

On December 7, 2020, in connection with the Assignment as described in Note 5 the Company completed a financing and issued an aggregate of 10,000,000 units (a “Unit”) at a price of \$0.05 per Unit for aggregate gross proceeds of \$500,000 (the “Financing”).

Each Unit consist of one common share of the Company (a “Common Share”) and one-half of one Common Share purchase warrant (each whole warrant a “Warrant”). Each Warrant entitles the holder to acquire one additional Common Share at a price of \$0.10 per share until December 7, 2022.

In connection with the Financing, the Company issued to eligible finders an aggregate of 247,000 finders warrants (the “Finders Warrants”). Each Finder Warrant entitles the holder to acquire one Common Share at a price of \$0.10 until December 7, 2022.

The fair value of the non-cash share issuance costs of \$8,369 for the Agent’s Warrants was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issuance date of \$0.065, exercise price of \$0.10, risk-free interest rate of 0.25%, average projected volatility of 108.08%, dividend yield of nil, average expected life of the options of 2.5 years and the fair value of the warrants of \$0.03. Additional share issue costs of \$5,813 were recorded for regulatory filing fees, administration and transfer agent fees.

On December 7, 2020, the Company issued 3,594,941 common shares pursuant to the Option as described in Note 5 hereinabove. The common shares were valued at \$233,671 as determined by the market price when issued being \$0.065 per share.

On December 31, 2020, the Company issued 395,009 common shares pursuant to the Option as described in Note 5 hereinabove. The common shares were valued at \$59,251 as determined by the market price when issued being \$0.15 per share.

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)**(c) Share Purchase Warrants**

The following is a summary of changes in warrants from August 31, 2019 to April 30, 2021:

| | Number of Warrants | Weighted Average Exercise Price |
|-----------------------------------|---------------------------|--|
| Balance at July 31, 2020 and 2019 | 10,957,351 | \$0.13 |
| Expired | (5,957,351) | \$0.15 |
| Issued | 5,000,000 | \$0.10 |
| Balance at April 30, 2021 | 10,000,000 | \$0.10 |

As at April 30, 2021 the share purchase warrants have a weighted average remaining contractual life of 1.47 (July 31, 2020 – 0.34) year. Each warrant entitles the holders thereof the right to purchase one common share as follows:

| Expiry Date | Exercise Price | Number of Warrants |
|------------------------------|-----------------------|---------------------------|
| August 31, 2022 ¹ | \$0.10 | 5,000,000 |
| December 7, 2022 | \$0.10 | 5,000,000 |
| Total | | 10,000,000 |

¹ On August 26, 2020 the Company received Exchange approval to extend the expiry of these warrants from August 31, 2020 to August 31, 2022.

(d) Agents' Warrants

The following is a summary of changes in agents' warrants from August 1, 2019 to April 30, 2021:

| | Number of Warrants | Weighted Average Exercise Price |
|-----------------------------------|---------------------------|--|
| Balance at July 31, 2020 and 2019 | - | - |
| Issued | 247,000 | \$0.10 |
| Balance at April 30, 2021 | 247,000 | \$0.10 |

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)**(d) Agents' Warrants (cont'd)**

As at April 30, 2021 the Agent warrants have a weighted average remaining contractual life of 1.61 (July 31, 2020 – Nil) year. Each warrant entitles the holders thereof the right to purchase one common share as follows:

| Expiry Date | Exercise Price | Number of Warrants |
|-------------------------|-----------------------|---------------------------|
| December 7, 2022 | \$0.10 | 247,000 |

7. 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.

Stock option activity from August 1, 2019 to April 30, 2021 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 | 1,150,000 | - | - | 1,150,000 | 1,150,000 |
| Weighted Average Exercise Price | | | \$0.05 | - | - | \$0.05 | \$0.05 |
| Weighted Average Life Remaining (years) | | | 1.99 | - | - | 0.24 | 0.48 |

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

8. ADMINISTRATIVE AND GENERAL EXPENSES

| | Note | Three Months Ended April 30 | | Nine Months Ended April 30 | |
|------------------------------------|------|--------------------------------|------------------|-------------------------------|-----------------|
| | | 2021 | 2020 | 2021 | 2020 |
| Accounting and legal | | \$1,268 | \$- | \$9,568 | \$(3,142) |
| Consulting | 9 | 10,644 | 9,982 | 40,117 | 34,132 |
| Website, shareholder communication | | 4,823 | - | 7,073 | (21) |
| Exchange gain or (loss) | | - | - | - | (233) |
| Office and administration fees | 9 | 5,856 | 786 | 18,795 | 3,817 |
| Insurance | | 2,271 | 1,875 | 6,055 | 6,904 |
| Exchange and regulatory fees | | 11,313 | (25,000) | 15,619 | (22,227) |
| Rent | 10 | 3,000 | 3,000 | 9,000 | 9,000 |
| Transfer agent fees | | 521 | 688 | 2,673 | 3,004 |
| | | \$39,696 | \$(8,669) | \$108,899 | \$31,235 |

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:

| | April 30 2021 | April 30 2020 |
|--|------------------|------------------|
| Key management personnel compensation comprised: | | |
| Consulting fees | \$53,718 | \$34,132 |
| Administration | 14,975 | \$1,100 |
| | \$68,693 | \$35,232 |

Included in trade and other payables are amounts due to officers, directors and former officers, directors and related parties for fees and expenses of \$473 (July 31, 2020 - \$39,570).

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 of \$9,000 (2020 - \$9,000).

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (cont'd)

Financing

In connection with the Financing (Note 6), one related party being a director participated for an aggregate amount of \$10,000.

11. LOSS PER SHARE

| | April 30 2021 | April 30 2020 |
|--|------------------|------------------|
| Net loss attributable to ordinary shareholders | (\$172,545) | (\$31,235) |
| Weighted average number of common shares | 33,684,169 | 31,805,929 |
| Basic and diluted loss per share | (\$0.01) | (\$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 consolidated statements of cash flows. During the periods ended April 30, 2021 and April 30, 2020 the following transactions were excluded from the statements of cash flows:

- i) A compensation charge of \$8,369 (2020 – \$Nil) associated with the grant of 247,000 (2020 – Nil) Agent Warrants was recorded as share issue costs (Note 6).

During the periods ended April 30, 2021 and April 30, 2020, the Company paid \$nil for income taxes and interest.

13. EVENTS AFTER THE REPORTING DATE

Private Placements

May 2021 Offering

On May 31, 2021 the Company issued 6,111,111 units of the Company on a flow-through basis (the “**FT Units**”) at a price of \$0.09 per FT Unit for gross proceeds of up to \$550,000 (the “**FT Proceeds**”) and issued 2,857,143 units of the Company on a non-flow-through basis (the “**NFT Units**”) at a price of \$0.07 for gross proceeds of up to \$200,000 (the “**NFT Proceeds**”) collectively the “**May 2021 Offering**”.

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

13. EVENTS AFTER THE REPORTING DATE (cont'd)

Private Placements (cont'd)

May 2021 Offering (cont'd)

Each FT Unit consists of one common share in the capital of the Company (a “**Common Share**”) issued on a flow-through basis under the *Income Tax Act* (Canada) (the “**Tax Act**”) and one-half of one Common Share purchase warrant (each whole warrant a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one non-flow-through Common Share at an exercise price of \$0.15 until May 31, 2023.

Each NFT unit will consist of one Common Share in the capital of the Company and a Warrant as described above.

The FT Proceeds will be used by the Company to incur eligible Canadian exploration expenses that will qualify as flow-through mining expenditures as such terms are defined in the Tax Act related to advance the Company’s Placer Mountain Gold Project in British Columbia. All qualifying expenditures will be renounced in favour of the subscribers of the FT Units effective Dec. 31, 2021. The NFT Proceeds will be used by the Company for exploration expenditures as well as for general working capital and administrative purposes.

The Company has paid a aggregate cash finders' fees of \$37,896 cash and issued 444,000 finders warrants (“**Finder Warrant**”). Each Finder Warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of \$0.15 until May 31, 2023 on the same terms as the Warrants.

All securities issued pursuant to the May 2021 Offering are subject to a statutory four month and one day hold period expiring on October 1, 2021.

June 2021 Offering

On June 17, 2021, the Company issued 3,938,111 units of the Company on a flow-through basis (the “**FT Units**”) at a price of \$0.09 per FT Unit for gross proceeds of \$354,430 (the “**FT Proceeds**”) and issued 3,500,000 units of the Company on a non-flow-through basis (the “**NFT Units**”) at a price of \$0.08 for gross proceeds of \$280,000 (the “**NFT Proceeds**”) collectively the “**June 2021 Offering**”.

Each FT Unit consists of one common share in the capital of the Company (a “**Common Share**”) issued on a flow-through basis under the *Income Tax Act* (Canada) (the “**Tax Act**”) and one-half of one Common Share purchase warrant (each whole warrant a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one non-flow-through Common Share at an exercise price of \$0.15 until June 17, 2023.

DAMARA GOLD CORP.

Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For the Nine Months Ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

13. EVENTS AFTER THE REPORTING DATE (cont'd)

Private Placements (cont'd)

June 2021 Offering (cont'd)

Each NFT Unit consists of one Common Share in the capital of the Company and a Warrant as described above.

The FT Proceeds will be used by the Company to incur eligible Canadian exploration expenses that will qualify as flow-through mining expenditures as such terms are defined in the Tax Act related to advance the Company's Placer Mountain Gold Project in British Columbia. All qualifying expenditures will be renounced in favour of the subscribers of the FT Units effective Dec. 31, 2021. The NFT Proceeds will be used by the Company for exploration expenditures as well as for general working capital and administrative purposes.

The Company has paid an aggregate cash finders' fees of \$29,699 cash and issued 350,820 finders warrants ("**Finder Warrant**"). Each Finder Warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of \$0.15 until June 17, 2023, on the same terms as the Warrants.

All securities issued pursuant to the June 2021 Offering are subject to a statutory four month and one day hold period expiring on October 18, 2021.

Options

On May 28, 2021, 150,000 common shares were issued pursuant to the exercise of 150,000 options and an exercise price of \$0.05 for gross proceeds of \$7,500.

On June 22, 2021, 150,000 common shares were issued pursuant to the exercise of 150,000 options and an exercise price of \$0.05 for gross proceeds of \$7,500.