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**DAMARA GOLD CORP. ANNOUNCES PROPOSED REVERSE TAKEOVER  
WITH NEW FOUND GOLD CORP.**

September 6, 2018, Kelowna, British Columbia: Damara Gold Corp. (TSX.V: DMR - the “**Company**” or “**Damara**”), a Tier 2 mining issuer listed on the TSX Venture Exchange (the “**Exchange**”), is pleased to announce it has entered into a business combination agreement dated September 5, 2018 (the “**Business Combination Agreement**”) with New Found Gold Corp. (“**New Found Gold**”), a private Ontario corporation, whereby Damara will acquire (the “**Proposed Transaction**”) all of the outstanding shares of New Found Gold (the “**NFG Shares**”) in exchange for common shares in the capital of Damara (the “**Damara Shares**”) by way of three-cornered amalgamation.

**About New Found Gold**

New Found Gold is a private mineral exploration company organized under the laws of the Province of Ontario and holding exploration assets in the Provinces of Ontario and Newfoundland and Labrador.

**Summary of the Proposed Transaction**

The Proposed Transaction will be effected by way of a three-cornered amalgamation pursuant to which Damara will acquire all of the issued and outstanding NFG Shares in exchange for the issuance of Damara Shares to shareholders of New Found Gold (the “**NFG Shareholders**”). As a result of the Proposed Transaction, the current shareholders of New Found Gold would own a majority of the issued and outstanding Damara Shares.

The Proposed Transaction will constitute an arm’s length Reverse Takeover of Damara pursuant to Exchange Policy 5.2 – *Changes of Business and Reverse Takeovers*. Upon completion of the Proposed Transaction, Damara will continue on with the business of New Found Gold and remain a Tier 2 mining issuer (the Company after the completion of the Proposed Transaction being referred to herein as the “**Resulting Issuer**”).

Prior to the completion of the Proposed Transaction, Damara will consolidate its share capital on a 6 (old) to 1 (new) basis and change its name to “New Found Gold Corp.” or such other name as may be agreed by the parties. Pursuant to the Proposed Transaction, the NFG Shareholders will receive six (6) post-consolidation Damara Shares for each NFG Share held. Prior to closing of the Proposed Transaction, New Found Gold intends to complete a private placement financing (the “**Concurrent Financing**”) through the issuance of a minimum of 12,500,000 NFG Subscription Receipts (as defined below) (the “**Minimum Offering**”) and up to a maximum of 22,500,000 NFG Subscription Receipts (the “**Maximum Offering**”) at a price of \$0.60 per NFG Share for gross proceeds of \$7,500,000 assuming completion of the Minimum Offering and up to a maximum of \$13,500,000 assuming the Maximum Offering is fully subscribed.

Upon completion of the Proposed Transaction and subject to compliance with applicable laws, including the policies of the Exchange, all outstanding convertible securities of New Found Gold will be exchanged for incentive stock options of the Resulting Issuer having the same economic benefits for the holders thereof.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to (i) the completion of the Minimum Offering; (ii) the approval by the shareholders of Damara (the “**Damara Shareholders**”) and the NFG Shareholders to complete the Proposed Transaction, (iii) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange; and (iv) the completion of satisfactory due diligence by each of the parties. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Certain of the Damara Shares to be issued pursuant to the Proposed Transaction are expected to be subject to restrictions on resale or escrow under the policies of the Exchange, including the securities to be issued to “Principals” (as defined in Exchange policies), which will be subject to the escrow requirements of the Exchange.

Subject to satisfaction or waiver of the conditions precedent referred to herein and in the Share Exchange Agreement, Damara and New Found Gold anticipate the Proposed Transaction will be completed in the fourth quarter of 2018.

Each of Damara and New Found Gold will bear their own costs in respect of the Proposed Transaction.

### **Proposed Concurrent Financing**

Prior to or concurrent with completion of the Proposed Transaction, New Found Gold will complete the Concurrent Financing. It is anticipated that the Concurrent Financing will be undertaken via the issuance of subscription receipts of NFG (the “**Subscription Receipts**”) at a price of \$0.60 per Subscription Receipt. Each Subscription Receipt shall be automatically converted to NFG Shares without any further action or payment by the holders thereof upon the satisfaction of certain escrow release conditions (the “**Escrow Release Conditions**”). New Found Gold is currently meeting with potential agents for the Concurrent Financing. Further details pertaining to the Concurrent Financing will be provided in a subsequent news release.

The gross proceeds from the issue and sale of the Subscription Receipts (the “**Escrowed Funds**”) will be held by an escrow agent and invested in short-term obligations or other investments guaranteed by the Government of Canada (and other approved investments) pending the satisfaction of the Escrow Release Conditions. Provided that the Escrow Release Conditions are satisfied, the Escrowed Funds will be released to New Found Gold or Damara, as directed by New Found Gold, and the New Found Gold Shares issued to holders of Subscription Receipts will then be exchanged for common shares in the capital of the Resulting Issuer pursuant to the Business Combination Agreement.

If: (i) the Escrow Release Conditions are not satisfied; (ii) the Business Combination Agreement is terminated at any earlier time; or (iii) either Damara or New Found Gold has advised any agent for the

Concurrent Financing or announced to the public that it does not intend to proceed with the Proposed Transaction, then the Subscription Receipts shall be cancelled and the Escrowed Funds, plus accrued interest, if any, shall be returned to the subscribers.

The proceeds raised will be used to fund the costs associated with completing the Proposed Transaction, exploration on the Resulting Issuer's properties and for general working capital. All securities issued pursuant to the Concurrent Financing will be subject to a hold period of four months and one day. Commissions may be paid on proceeds raised commensurate with industry norms. It is not known at this time if any investment dealer or other registrant will be engaged to assist with fund raising activities.

### **Trading Halt**

At the Company's request, trading in the Damara's Shares has been halted by the Exchange effective September 6, 2018. Trading is expected to remain halted until, at the earliest, the completion of the Proposed Transaction.

### **Sponsorship**

The parties will be seeking a waiver from the Exchange of any requirement for a sponsor, but in the event a waiver is not available, will seek a sponsorship relationship for the Proposed Transaction with an Exchange member firm.

### **The Resulting Issuer**

Assuming completion of the Minimum Offering, it is estimated that there will be approximately 73,237,180 Resulting Issuer Shares issued and outstanding immediately following closing of the Proposed Transaction, with former Damara Shareholders holding approximately 4,385,430 (5.99%) of such Resulting Issuer Shares, former NFG Shareholders holding approximately 56,351,750 (76.94%) of such Resulting Issuer Shares and subscribers under the Concurrent Financing holding approximately 12,500,000 (17.07%) of such Resulting Issuer Shares.

Assuming the Maximum Offering is fully subscribed, it is estimated that there will be approximately 83,237,180 Resulting Issuer Shares issued and outstanding immediately following closing of the Proposed Transaction, with former Damara Shareholders holding approximately 4,285,430 (5.27%) of such Resulting Issuer Shares, former NFG Shareholders holding approximately 56,351,750 (67.71%) of such Resulting Issuer Shares and subscribers under the Concurrent Financing holding approximately 22,500,000 (27.03%) of such Resulting Issuer Shares.

Upon completion of the Proposed Transaction, it is anticipated that all of the existing directors and officers of Damara will resign and the management of the Resulting Issuer will include the persons identified below:

*Denis Laviolette – CEO, President, and Director*

Mr. Laviolette has over 10 years of experience in exploration, advanced mine operations and capital markets. He has worked in Northern Ontario (Timmins, Kirkland and Red Lake), Norway and Ghana, and he was responsible for a diverse array of responsibilities, including grassroots exploration, start-up mine management and advanced mine operations. Mr. Laviolette worked as mining analyst with Pinetree Capital Ltd. and now serves as a mining analyst and vice-president of corporate development for ThreeD Capital Inc. (“**ThreeD Capital**”). He is also a director of Xtra-Gold Resources Corp., Northern Sphere Mining Corp. and Tartisan Resources Corp. Mr. Laviolette has a BSc in Earth Sciences (geology) from Brock University.

*Collin Kettell – Director*

Mr. Kettell is the principal and co-founder of Palisade Global Investments Ltd. (“**Palisades**”), an investment company focused on the junior resource sector. Mr. Kettell is also Chairman of Goldspot Discoveries Inc. (“**Goldspot**”), an Ontario based tech startup focused on machine learning and artificial intelligence as it pertains to the resource exploration business.

*John Anderson – Chairman*

John Anderson has over 20 years of capital market experience specializing in the resource sector. He has been a founder and financier of many start-up companies with experience on the TSX, NYSE, NASDAQ, London AIM and Swiss Stock Exchange. He was a founder of Deep 6 PLC, American Eagle Oil and Gas as well a founding general partner in Aquastone Capital LLC, a New York based gold fund. Mr. Anderson is the Executive Chairman of Triumph Gold Corp. and Chairman of EXM Farming Corp.

*Cejay Kim – Director*

Mr. Kim has been the Chief Investment Officer at Palisade Global since June 2015. Prior to that he was a senior associate at ReQuestEquities, a merchant bank active in the junior resource sector. Mr. Kim holds an MBA in Global Asset Wealth Management from Simon Fraser University and is a Chartered Financial Analyst charterholder and member of both the Vancouver and Calgary CFA Societies.

*Mike Blady – Director*

Mr. Blady holds a B.Sc. in Geology from Simon Fraser University and is the principal of Ridgeline Exploration, a grass roots exploration services company based out of Vancouver BC. He has been involved in senior management of numerous public companies since 2009 and has acted as a geological consultant and advisor to various public companies providing corporate development services. Mr. Blady’s senior management experiences with resource company’s gives him an appreciation of the best industry practices with respect to financial risk controls and disclosure.

*Greg Matheson – Chief Operating Officer*

Mr. Matheson is a professional geologist with over 10 years experience managing grassroots exploration through to advanced exploration projects. Mr. Matheson is the former exploration manager of Norther Gold Mining, prior to its sale to Osisko Mining in 2017.

*Binh Quach – Chief Financial Officer*

Mr. Quach is an operational and financial manager with 20 years of experience. He has broad experience in all aspects of accounting, financial, and corporate management, both public and private. Mr. Quach is a member in good standing with the Chartered Professional Accountants of Canada and Ontario, with an Honours Bachelor of Accounting from Brock University. He is also the CFO of GoldSpot Discoveries Inc. and controller of ThreeD Capital.

**About Damara Capital Corp.**

Damara Gold Corp. is a TSX Venture listed Canadian public company with a Board of Directors seasoned in the mineral exploration industry with extensive and successful international experience with a focus on identifying and acquiring prospective and under-explored gold properties worldwide.

**About New Found Gold Resources Ltd.**

*All information in this Press Release relating to New Found Gold is the sole responsibility of New Found Gold. Management of Damara has not independently reviewed this disclosure nor has Damara's management hired any third party consultants or contractors to verify such information.*

New Found Gold Corp. is actively exploring district size gold exploration projects in Newfoundland and Ontario. From inception, the company's mandate has been to stake and acquire prospective projects with a focus on large scale, district size projects. With a significant footprint in Newfoundland and Ontario, New Found Gold is able to explore in mining friendly jurisdictions, with an emphasis on gold. New Found Gold looks for projects with historic work, drill date and/or a defined resource, as well as projects with low acquisition and holding costs.

**Financial Information of New Found Gold**

New Found Gold's consolidated financial statements for the year-ended December 31, 2017 and for the period from incorporation (January 6, 2016) to December 31, 2016 are currently being audited and are expected to be completed by November 30, 2018. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. All monetary references expressed in this press release are references to Canadian dollar amounts ("\$/").

The following unaudited consolidated financial information has been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. New Found Gold has net profits since incorporation on November 9, 2016, has net income for the year ended December 31, 2017 of

\$460,675 (from incorporation on January 6, 2016 to December 31, 2016 –\$275,788) and has retained earnings of \$736,463 as at December 31, 2017. New Found Gold is a start-up company and is subject to risks and challenges similar to other companies in a comparable stage. These risks include, but are not limited to, dependence on key individuals, exploration and development risks, investment risks, market risks, the ability to maintain adequate cash flows, commodity prices, exchange rate fluctuations and continuing as a going concern.

<b>Statement of financial position highlights (Unaudited)</b>	<b>December 31, 2017</b>	December 31, 2016
Cash and cash equivalents	\$ 1,011,116	\$ 13,647
Investments, at fair value	436,995	337,500
Prepaid and accounts receivables	210,281	167,756
Sales tax recoverable	200,020	20,940
Advances to affiliated company	-	50,470
Exploration and evaluation assets	2,417,658	442,643
Total assets	4,276,070	1,032,956
Total liabilities	315,490	250,931
Share capital and contributed surplus	3,236,940	505,000
Foreign currency translation reserve	(12,823)	1,237
Retained earnings	736,463	275,788
Working capital	1,542,922	339,382

New Found Gold has no long-term debt.

#### **Cautionary Note**

*As noted above, completion of the Proposed Transaction is subject to a number of conditions including, without limitation, approval of the Exchange, approval of the Damara Shareholders and the NFG Shareholders and completion of the Minimum Offering. Where applicable, the Proposed Transaction cannot close until the required approvals have been obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the continuous disclosure document containing full, true and plain disclosure regarding the Proposed Transaction, required to be filed with the securities regulatory authorities having jurisdiction over the affairs of the Company, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. The trading in the securities of Damara on the Exchange, if reinstated prior to completion of the Proposed Transaction, should be considered highly speculative.*

**ON BEHALF OF THE BOARD OF DIRECTORS:**

*"Larry Nagy"*

Larry Nagy, Chief Executive Officer

For additional information visit Damara's website at [www.damaragoldcorp.com](http://www.damaragoldcorp.com) or contact:

**Damara Gold Corp.**

**Larry Nagy, Chief Executive Officer** or

**Terese Gieselman, Chief Financial Officer**

Ph: (250-717-1840)

**Disclaimer for Forward-Looking Information**

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Damara's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the business plans of Damara, New Found Gold, and the Resulting Issuer, the Concurrent Financing, the Proposed Transaction (including Exchange approval and the closing of the Proposed Transaction) and the board of directors and management of the Resulting Issuer upon completion of the Proposed Transaction. Such statements and information reflect the current view of Damara. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include, among others, the following risks:

- there is no assurance that the Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Concurrent Financing. In particular, the amount raised may be significantly less than the amounts anticipated as a result of, among other things, market conditions and investor behaviour;
- there is no assurance that Damara and New Found Gold will obtain all requisite approvals for the Proposed Transaction, including the approval of the Damara Shareholders and New Found Gold Shareholders, or the approval of the Exchange for the Proposed Transaction (which may be conditional upon amendments to the terms of the Proposed Transaction);
- following completion of the Proposed Transaction, the Resulting Issuer may require additional financing from time to time in order to continue its operations. Financing may not be available when needed or on terms and conditions acceptable to the Resulting Issuer;

- new laws or regulations could adversely affect the Resulting Issuer's business and results of operations; and
- the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Resulting Issuer's securities, regardless of its operating performance.

There are a number of important factors that could cause Damara's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others: limited business history of Damara and New Found Gold; disruptions or changes in the credit or security markets; results of operation activities and development of projects; project cost overruns or unanticipated costs and expenses, fluctuations in commodity prices, and general market and industry conditions.

Damara cautions that the foregoing list of material factors is not exhaustive. When relying on Damara's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Damara has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

**THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF DAMARA AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE DAMARA MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.**

*This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.*

*Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the information circular to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Damara should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*