



For the Third Quarter Ended April 30, 2015

The following management's discussion and analysis ("MDA") has been prepared as of June 24, 2015. It is an update of the interim management discussion and analysis prepared as of March 26, 2015 and filed on SEDAR on March 31, 2015. It should be read in conjunction with the Company's unaudited, interim financial statements for the period ended April 30, 2015 and audited financial statements for its recent year end July 31, 2014. The financial statements have been prepared in accordance with International Financial Reporting Standards and all numbers are reported in Canadian dollars, unless otherwise stated.

Throughout the report we refer to Damara, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Damara Gold Corp. **Additional information on the Company can be found on SEDAR at www.sedar.com and the Company's website at www.damaragoldcorp.com.**

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding the timing and content of upcoming work programs and exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward looking information contained in this MD&A include the following: our approved budgets, exploration and assay results, results of the Company's planned exploration expenditure programs, estimated drilling success rates and other prospects. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Damara assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Overview Performance and Operations

Damara Gold Corp. (*formerly Solomon Resources Limited*) ("Damara" or the "Company") was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia. 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.

Pursuant to receipt of shareholder approval at the Company's Special Meeting held on September 22, 2014, the Company received Exchange approval on September 30, 2014 to consolidate its share capital on the basis of 1 new common share of the Company for every 10 existing common shares (the

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"Consolidation"). As a result, the common shares of Damara have been consolidated on a 10:1 basis, such that the previously existing 56,884,992 common shares have been consolidated and there are now 5,688,486 post-Consolidation common shares issued and outstanding.

The Company is in the business of exploring and developing mineral property interests with a focus in Namibia. The Company's principal asset is its optioned DGP Property located in Namibia. The Company has not earned significant revenues from its mineral property interests and is considered to be in the exploration stage. The Company's corporate head office is at Suite 110-2300 Carrington Road, West Kelowna, British Columbia V4T 2N6.

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on the Company website at www.damaragoldcorp.ca.

Exploration Activities:

On March 21, 2014, the Company and Helio Resource Corp ("Helio") entered into a Letter Agreement, whereby Damara can earn up to a 60% interest in Helio's Damara Gold and Tin Project (DGP) in Namibia (the "Transaction"). The DGP Property is comprised of 2 exploration licenses covering 722km² located in Namibia.

During the nine months ended April 30, 2015, the Company had incurred expenditures of \$159,371 and advised a further \$91,660 towards its work commitments on the DGP Project. The Company is currently working on financing options to provide the necessary working capital to meet its future expenditures commitments as well as provide working capital.

Summary

The Company intends to conduct more detailed follow up work on new targets identified in its Q 4 2014 work completed and advance them to drill testing as soon as funds permit.

Selected Financial Information for the three months ended

Three Months ended April 30, 2015	April 30		April 30	Comment	
	2015		2014		
Royalties	\$	—	\$	1,313	1
General and administrative expenses					
Total general and administrative expenses	\$	47,887	\$	28,011	2
Consulting fees	\$	17,963	\$	11,181	3
Website, shareholder communication	\$	2,008	\$	5,260	4
Office and misc		961		1,602	5
Professional fees	\$	300	\$	(1,313)	6
Rent	\$	2,855	\$	800	7
Interest on loans payable	\$	15,458	\$	—	8
Net (loss) Income for the period	\$	(63,345)	\$	(28,090)	9
Net income (loss) per share (basic and fully diluted)	\$	(0.01)	\$	(0.01)	
Weighted average of shares in issue – (post-Consolidation)		5,688,499		5,185,765	
Share capital at end of period (post-Consolidation)					
Shares in issue - number of shares		5,688,486		5,393,499	
Options and warrants - number of options and warrants		36,000		1,561,360	10
Fully diluted share capital at end of period		5,724,486		6,954,859	

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Comments

1. Revenue comprises oil and gas royalty receipts. The royalty interests were sold on November 19, 2013.
2. The increase in general and administrative costs, primarily relate consulting fees which consist of amounts accrued of \$5,000 per month for the CEO and a rate of \$75 per hour for fees incurred for the CFO. During the prior period the Company did not incur fees for the COO position which was newly appointed in 2014.
3. Readers are referred to the section on transactions with related parties for details on management fees.
4. Website and shareholder communication expenditures increased as a result of the name change and rebranding of the Company's website.
5. There were no significant changes to office expenses.
6. Professional fees for the comparative period include approximately \$10,000 in fees that were incurred in the final quarter of FY2013 but only brought to account in the quarter under review. Other fees primarily relate to legal costs regarding the settlement of liabilities through the issue of shares.
7. The Company vacated its offices in April 2013 and in FY2014 Q3 commenced renting on a month to month basis in shared office spaces for rent, administration and reception of \$951 per month.
8. Interest paid relates to loans advance from related and unrelated parties for an aggregate \$535,000 in advances.
9. The Company's loss in the referred periods ended April 30 related to general and administrative costs as described herein above.
10. The decrease in options and warrants for the Company's current period 2015 related to the expiry of options held by former directors, officers and employees.

Summary of quarterly results

FY 2015	Q1 \$	Q2 \$	Q3 \$
Revenues	—	—	—
Comprehensive income (loss)	(82,484)	(79,336)	(63,345)
Comprehensive income (loss) per share	(0.02)	(0.01)	(0.01)

FY 2014	Q1 \$	Q2 \$	Q3 \$	Q4 \$
Revenues	2,602	1,313	—	—
Comprehensive income (loss)	151,783	1,746	(28,090)	(115,019)
Comprehensive income (loss) per share	0.03	0.00	(0.01)	0.02

FY 2013	Q4 \$
Revenues	1,270
Comprehensive loss	249,123
Comprehensive income (loss) per share	—

Notes:

1. Revenue consists of gas royalties.
2. There were no extraordinary items in the years under review.
3. The Company has non-current loans outstanding of \$260,000 due in 2016.
4. The Company has no history of declaring dividends.
5. Annual and quarterly results can vary significantly depending on whether the Company has acquired any new mineral property interests, abandoned any properties, acquired or sold equipment or marketable securities, or granted any stock options.
6. The Company sold its royalty interest during Q1 2014.

As with most junior exploration companies, however, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the properties the Company has, its working capital and how many shares it has outstanding.

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For the nine months ended April 30, 2015 the Company reported a \$225,164 net comprehensive loss or \$0.04 basic and diluted earnings per share compared to a \$125,46 net comprehensive income or \$0.02 income per share for the same comparative period ended April 30, 2014. The primary component of the current period loss was general and administration costs of \$188,136 (April 30, 2014 - \$131,376) and interest expense on loans received of \$37,028 (April 30 - \$503). Expenses in the prior period April 30, 2014 were offset by recovery of expenditures on exploration and evaluation costs of \$56,249 and a gain on settlement of debt of \$196,739.

Liquidity and capital resources

	April 30 2015	July 31 2014
Financial position:		
Cash and cash equivalents	\$33,674	\$108,175
Working capital deficiency	\$(406,024)	\$(71,490)
Exploration and evaluation assets	\$294,730	\$135,359
Total Assets	\$421,398	\$254,900
Shareholders' deficiency	\$(421,295)	\$(196,131)

April 30, 2015

During the period ended April 30, 2015 no new shares were issued for cash. Changes to the Company's financial condition at April 30, 2015 from the Company's year ended July 31, 2014 included the increase in working capital deficiency from \$71,490 to \$406,024 as a result in an increase in accounts payable and decrease in cash for administrative and general expenses as well as expenditures on the Company's optioned Namibia project.

As at April 30, 2015 long term debt was \$310,000 (July 31, 2014 - \$260,000) in loans received from related and unrelated parties. The loans will mature in 2016 with interest payable at 15% accrued and paid annually and some cases quarterly. Additionally the Company secured short term loans of \$225,000 with interest payable at 15% and due in 6 months.

The Company continues to work towards raising the required capital to further fund its work commitments for its DGP project under option as well as provide the necessary working capital for a further 12 months for overhead expenditures and debt repayment.

Off balance-sheet arrangements

There are currently no off balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

Transactions with related parties

(a) Key Management Compensation

	April 30 2015	April 30 2014
Key management personnel compensation comprised :		
Consulting fees:	\$94,983	\$61,205

- (i) Consulting fees of \$45,000 (2014 - \$Nil) were paid and/or accrued to 43983 Yukon Inc. a company, controlled by Lawrence Nagy, the Company's Chief Executive Officer;
- (ii) Consulting fees of \$30,000 (2014 - \$40,000) were paid and/or accrued to Minefill Services Inc. ("Minefill"), a company controlled by David Stone ("Stone"), the Company's President and Chief Operating officer.
- (iii) Consulting fees of \$19,983 (2014 - \$5,183) were paid and/or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, Chief Financial Officer and Secretary of the Company; and
- (iv) Consulting fees of \$Nil (2014 - \$16,023) were paid and/or accrued to Paul Maarschalk ("Maarschalk"), the Company's former Chief Financial Officer.

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(b) Related Party Liabilities

Amounts due to:	Service for:	April 30 2015		July 31 2014	
Minco	Consulting Fees	\$	34,266	\$	14,670
Minefil	Consulting Fees	\$	90,000	\$	60,000
43983	Consulting Fees	\$	75,000	\$	30,000
43983	Expenses	\$	—	\$	752
Paul Maarschalk	Consulting Fees	\$	4,366	\$	4,366
Total related party payables		\$	203,632	\$	109,788

(c) Debt Settlements

During the period ended April 30, 2015, the Company settled debt amounts to the following related parties as follows;

- i) For an amount of \$48,732 due to Maarschalk, issued 96,745 (post-consolidation) shares at a fair value of \$14,512 for a gain on settlement of \$34,220;
- ii) For an amount of \$10,000 due to Stone, issued 20,000 (post-consolidation) shares at a fair value of \$3,000 for a gain on settlement of \$7,000;
- iii) For an amount of \$15,322 due to RRogers, issued 20,000 (post-consolidation) shares at a fair value of \$3,000 for a gain on settlement of \$7,000;
- iv) For an amount of \$1,503 due to SRogers, issued 30,063 (post-consolidation) shares at a fair value of \$451 for a gain on settlement of \$1,052.

Critical Accounting Policies and Estimates

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 prospectively by including it in comprehensive income 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 in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Judgments

Assets' Carrying Values and Impairment Charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company only recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Estimates

Share-based Payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors, and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting years beginning after January 1, 2014.

IFRS 9 *Financial Instruments* (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
- The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

IFRS 9 *Financial Instruments* (2010)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit

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or loss; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

IFRS 9 Financial Instruments (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39. The standard contains requirements in the following areas:

- **Classification and measurement.** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under International Accounting Standard ("IAS") 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment.** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- **Hedge accounting.** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- **Derecognition.** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to the Company's annual period beginning August 1, 2018.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of "currently has a legally enforceable right of set-off"
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to the Company's annual period beginning August 1, 2014.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Amends IFRS 11 *Joint Arrangements* to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 *Business Combinations*) to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRS, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRS for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

Note: The amendments apply prospectively to acquisitions of interests in joint operations in which the activities of the joint operations constitute businesses, as defined in IFRS 3, for those acquisitions occurring from the beginning of the first period in which the amendments apply. Amounts recognized for acquisitions of interests in joint operations occurring in prior periods are not adjusted.

Applicable to the Company's annual period beginning August 1, 2016.

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)

Amends IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment
- introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Applicable to the Company's annual period beginning August 1, 2016.

Annual Improvements 2010-2012 Cycle

Makes amendments to the following standards:

- IFRS 2 — Amends the definitions of “vesting condition” and “market condition” and adds definitions for “performance condition” and “service condition”
- IFRS 3 — Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- IFRS 8 — Requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
- IFRS 13 — Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- IAS 16 and IAS 38 — Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- IAS 24 — Clarify how payments to entities providing management services are to be disclosed

Applicable to the Company's annual period beginning August 1, 2014.

Annual Improvements 2011-2013 Cycle

Makes amendments to the following standards:

- IFRS 1 — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
- IFRS 3 — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- IFRS 13 — Clarify the scope of the portfolio exception in paragraph 52
- IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

Applicable to the Company's annual period beginning August 1, 2014.

Annual Improvements 2012-2014 Cycle

Makes amendments to the following standards:

- IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

- IAS 9 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

Applicable to annual periods beginning on or after August 1, 2016.

Financial instruments and other instruments

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of interest rate, commodity price risk and foreign currency risk. The Company is not exposed to significant market risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. The financial instrument that is potentially subject to credit risk for the

Company consists primarily of cash. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its

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liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditures.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company does not maintain any trade payables beyond a 30 day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, trade and other payables, and loans payable approximate fair value due to their short-term nature.

Capital Management

The Company considers its capital to be comprised of shareholders' deficiency.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended April 30, 2015.

Risks and uncertainties

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and is subject to fluctuations in market sentiment, metal prices, foreign exchange and interest rates. There is no certainty that properties which the Company has described as assets on its balance sheet will be realized at the amounts recorded. The only sources of future funds for further exploration programs or, if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company has been successful in accessing the equity market during the past years, there is no assurance that such sources of financing will be available on acceptable terms, if at all.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all professional consultants carry their own insurance to cover any potential liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.

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Outstanding Share Data

As of the date of this discussion the following table presents the Company's outstanding share data:

Shares in issue and fully diluted:

		Number of shares
At	June 24, 2015	In issue
		5,688,486
	Dilution:	Options
		36,000
		Fully diluted
		5,724,486

Share options

Options outstanding:		
Expiry Date	Exercise Price	Number of shares
December 17, 2015	\$ 1.65	6,000
December 13, 2017	\$ 1.00	30,000
Total		36,000

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.