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DAMARA GOLD CORP. ANNOUNCES AMENDMENT TO BUSINESS COMBINATION AGREEMENT

October 19, 2018, Kelowna, British Columbia: Damara Gold Corp. (TSXV: DMR - “**Damara**” or the “**Company**”) announces that it has entered into an amending agreement (the “**Amending Agreement**”) amending the terms of the business combination agreement dated September 5, 2018 (the “**Business Combination Agreement**”) between Damara, 2651996 Ontario Inc. and New Found Gold Corp. (“**New Found Gold**”).

Among other things, the Amending Agreement extends the outside date for the completion of certain matters contemplated in the Business Combination Agreement from December 31, 2018 to February 29, 2019. The Company currently anticipates that the completion of the transactions contemplated by the Business Combination Agreement, as amended by the Amending Agreement, will occur in early February 2019.

Summary of the Proposed Transaction

Pursuant to the Business Combination Agreement, 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.

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 New Found Gold shareholders (the “**NFG Shareholders**”) will receive one (1) post-consolidation Damara Share for each NFG Share held. Prior to closing of the Proposed Transaction, New Found Gold intends to complete a private placement financing for minimum gross proceeds of \$7,500,000 (the “**Minimum Offering**”) and maximum gross proceeds of \$13,500,000.

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 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 TSX Venture Exchange (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.

Trading Halt

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

About Damara Gold 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 Corp.

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.

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 or contact:

Damara Gold Corp.

Larry Nagy, Chief Executive Officer, or

Terese Gieselman, Chief Financial Officer

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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 New Found Gold private placement and the Proposed Transaction (including Exchange approval and the anticipated closing date 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 New Found Gold private placement will be completed or as to the actual offering price or gross proceeds to be raised in connection with such private placement. 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 shareholders of Damara and NFG 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.