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NEWS RELEASE

**Damara Announces Assignment of Proposed Option to Acquire 75% Interest in the
Princeton Property**

October 19, 2020

TSX-V: DMR

DAMARA GOLD CORP. (TSX-V:DMR) ("**Damara**" or the "**Company**"), is pleased to announce that it has entered into an assignment and assumption agreement (the "**Assignment Agreement**") with Canarc Resources Corp. ("**Canarc**") pursuant to which Canarc 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 (the "**Princeton Property**"), subject to the Universal NSR and Wilson NSR (as defined herein).

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

About the Princeton Property:

The Princeton Property is road accessible and lies within a highly mineralized belt, 18 km south of the Copper Mountain porphyry copper deposits and 70 km south of the Elk gold deposit. The earliest recorded exploration on the property was in 2008 with the discovery of gold-bearing quartz boulders in newly built logging roads. Since that time, the Princeton Property has been explored with soil geochemical surveys, prospecting and geological mapping, an airborne magnetic survey, trenching and rock sampling.

The Princeton Property is being explored for orogenic or mesothermal-style, vein-hosted gold mineralization. Historical rock-chip sampling identified gold-bearing, low-sulfide quartz veins within the Wilson Gold Zone over a roughly 375 m diameter area. An additional, isolated area of gold-bearing quartz-vein float lies 2 km to the north but has not yet been rigorously explored¹.

Historical trenching in 2018² and 2019³ exposed gold-bearing quartz veins hosted in Triassic Nicola volcanics and sediments as well as a hematized granitic host rock believed to be Jurassic in age. The trenching established a minimum strike length of 235 m for the main vein system. The vein system remains open to the southwest and to the northeast where it appears to extend under younger volcanic cover. Along strike the system changes from a single vein in the southwest to a broader, granite-hosted vein stockwork to the northeast that is at least 35 m wide.

¹ Henneberry, R.T., 2017, 2017 Geochemical Report prepared for Tasca Resources Ltd.

² Henneberry, R.T., 2018, 2018 Trenching Assessment Report, Princeton Property

³ Margolis, J. and Henneberry, R.T., 2020, 2019 Assessment Report for the Princeton Property.

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The Company completed due diligence sampling on the Wilson Zone in 2020, prior to entering into the Assignment Agreement. Five rock samples were collected by the Company’s Qualified Person, including three outcrop chip samples from the main vein as well as two float grab samples taken approximately 150m to the southeast of the main vein exposure (Table 1). The outcrop samples collected are chip samples over a given length and width of the vein, with an effort to be as representative as possible.

It is believed that the only way to obtain a representative average gold value across the width of a surface exposure of the vein would be to use a diamond saw to cut a proper channel. Therefore the reader is cautioned that the outcrop chip samples collected on the main vein and float grab samples are selective by nature and may not represent the true grade or style of mineralization across the Property.

Table 1 – Gold Assay Results and Descriptions for Samples Collected by the Company’s QP

Sample No	Easting N83Z10	Northing N83Z10	Type	Au(g/t)	Description
PAu-01	685307	5448271	Bedrock	56.50	Vein - mainly bull quartz, rusty fractures (Random chip sample - 1.2 m width x 1 m length)
PAu-02	685288	5448267	Bedrock	1.14	Vertical qtz vein face, qtz with rusty fractures (Random chip sample - 20 to 30 cm wide x 50 cm length)
PAu-03	685311	5448272	Bedrock	149.10	Chip sample from 30 cm wide mainly bull qtz vein
PAu-04	685487	5448218	Float	132.50	Grab sample from strongly rusted quartz boulder
PAu-05	685426	5448221	Float	18.00	Grab sample from quartz boulder with rusty fractures

Qualified Person

Dr. Gerald G. Carlson, PhD, PEng, technical advisor to the Company, is the Qualified Person as defined by National Instrument 43-101 who has reviewed and approved the technical data in this report.

Highlights of the Assignment:

Consideration for the assignment of the Option Agreement to Damara includes:

- Complete the \$300,000 in exploration expenditures on or before December 31, 2020 pursuant to the terms of the Option Agreement (the “**Earn-In Expenditures**”);
- Issuance of such number of common shares in the capital of Damara (the “**Damara Shares**”) as is equal to 9.9% of the total issued and outstanding Damara Shares on closing on the Assignment;
- subject to the exercise of the Option on or before December 31, 2021, the issuance of such number of Damara Shares that increase Canarc’s aggregate ownership in the capital of Damara to 19.9%; and



- otherwise take all additional steps necessary to exercise the Option in accordance with the terms and conditions of the Option Agreement
- The Princeton 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**").

Financing

It is expected that a concurrent private placement financing of a minimum of \$400,000 and up to a maximum of \$500,000 (the "**Financing**") will occur as part of the Assignment. The details of the Financing will be announced separately in future press releases.

The Company intends to use the net proceeds of the Financing for purposes of completing the Assignment and funding the required Earn-In Expenditures and operating costs in relation to the development of the Princeton Property.

Completion of the Assignment and the Financing are expected to occur in November 2020 and are subject to satisfaction of a number of customary conditions precedent, including, without limitation, the acceptance of the TSX Venture Exchange (the "**Exchange**") and the satisfaction of any conditions which the Exchange may impose, including those applicable to Fundamental Acquisitions (as such term is defined in Exchange Policy 5.3).

About Damara

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.

ON BEHALF OF THE BOARD OF DIRECTORS OF DAMARA

"Larry Nagy"

Larry Nagy, Chief Executive Officer

For additional information visit Damara's website at www.damaragoldcorp.com or contact:

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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. The forward-looking statements and information in this press release information relating to the Financing, including the use of proceeds from the Financing and the Company's expectation that it will close the Assignment. 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.

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.

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