



NEWS RELEASE

Damara Announces the Issuance of Final Tranche of Shares to Canagold Resources Ltd. Under the Assignment Agreement

January 4, 2022

TSX-V: DMR

DAMARA GOLD CORP. (TSX-V:DMR) ("**Damara**" or the "**Company**") announces further to the news release of April 30, 2021 announcing the exercise of the option ("the "**Option**") from Universal Copper Ltd. ("**Universal**") and Sydney Wilson ("**Wilson**") via an assignment agreement (the "**Assignment**") between Damara and Canagold Resources Ltd. ("**Canagold**") pursuant to which the Company acquired a 75% interest in the Placer Mountain property, the Company has now issued the final tranche of 9,841,371 common shares (the "**Canagold Shares**") to Canagold due on or before December 31, 2021 in accordance with the Assignment.

Subsequent to the issuance of the Canagold Shares, Canagold beneficially owns or controls 9,841,371 common shares of the Company representing 14.16% of the issued and outstanding common shares of the Company on a non-diluted and diluted basis. Prior to the issuance Canagold did not beneficially own or control any securities of the Company.

Canagold acquired the securities for investment purposes. Canagold may, in the future, acquire or dispose of securities of the Issuer in the market, privately or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities.

A copy of Canagold's early-warning report will be filed under Damara's profile on SEDAR and may also be obtained by calling Canagold's offices at 604 685-9700 (#810 – 625 Howe Street Vancouver, BC, Canada, V6C 2T6).

The Canagold Shares will be subject to a statutory four month and one day hold period under applicable securities laws expiring on May 1, 2022.

About Damara

Damara Gold Corp. is a TSX Venture listed mineral exploration company actively focused on the exploration of the Placer Mountain Gold Property, located in Princeton, BC, held by 75%/25% JV with Universal Copper Ltd. Damara's Board of Directors is seasoned in the mineral exploration industry with extensive and successful international experience.

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 news release contains statements that constitute "forward-looking Information", as such term is used in applicable Canadian securities laws. Such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information includes statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Although the Company believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by its nature forward-looking information involves assumptions and known and unknown risks, uncertainties and other factors which may cause our actual results, level of activity, 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 information.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with general economic conditions; the Covid-19 pandemic; adverse industry events; the receipt of required regulatory approvals and the timing of such approvals; that the Company maintains good relationships with the communities in which it operates or proposes to operate, future legislative and regulatory developments in the mining sector; the Company's ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; mining industry and markets in Canada and generally; the ability of the Company to implement its business strategies; competition; the risk that any of the assumptions prove not to be valid or reliable, which could result in delays, or cessation in planned work, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company's expectations, as well as other assumptions risks and uncertainties applicable to mineral exploration and development activities and to the Company, including as set forth in the Company's public disclosure documents filed on the SEDAR website at www.sedar.com.

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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