



Damara Gold Announces Acquisition of a 100% Interest in the VanLab Vanadium Property, Labrador Trough Region, Quebec

December 23, 2022

TSX-V: DMR

DAMARA GOLD CORP. (TSX-V:DMR) ("**Damara**" or the "**Company**") is pleased to announce that it has entered into purchase agreement (the "**Purchase Agreement**") to acquire a 100% undivided interest in 203 map designated mineral exploration claims covering approximately 9,675 hectares located in the Labrador Trough region of Quebec, (collectively the "**VanLab Property**"). The Purchase Agreement, dated December 22, 2022, was completed with two arm's length sellers (the "**Sellers**")

The VanLab Property

The Vanlab property covers a portion of the Labrador trough approximately 200 km northwest of Schefferville. Historical public data obtained from the files of the Ministère de l'Énergie et des Ressources naturelles-Québec indicates the presence of various minerals. The main potential interest includes vanadium, copper, cobalt and scandium. One historical sample reported 6% Vanadium (showing Surprise 2, GM41311). The result from this sample has not been independently verified by Vanlab. It is listed in documents filed with the Ministère. The entire claim block has been surveyed by modern airborne electromagnetics, magnetics and radiometrics. Vanlab obtained this public data from the ministry files and reprocessed it to identify specific targets for a 2023 field program. The primary exploration focus will be vanadium, copper and cobalt.

The Purchase Agreement

Subject to TSX Exchange (the "**Exchange**") approval, Damara will acquire the Sellers' 100% interest in and to the VanLab Property in exchange for the following consideration (the "**Consideration**"):

- (a) the issuance by the Damara to the Sellers on within 5 business days of Exchange approval (the "**Closing Date**") an aggregate of 4,000,000 units (each a "**Unit**"). Each Unit shall be comprised of one common share (a "**Consideration Share**") in the capital of Damara and one non-transferable share purchase warrant (each a "**Warrant**"). Each Warrant shall entitle the Sellers to acquire one additional common share in the capital of Damara (the "**Warrant Shares**" and together with the Consideration Shares and Warrants, the "**Consideration Securities**") at an exercise price of \$0.25 for a period of thirty-six (36) months from Closing; and
- (b) the Damara will grant to the Seller of a 2% net smelter return royalty (the "**NSR Royalty**") on Closing.

Pursuant to the terms of the Purchase Agreement the Sellers may be entitled to a 0.5% net smelter return royalty in any interest Damara acquires in additional claims within an area of interest of the VanLab Property.

The Consideration Securities will be subject to a statutory four month and one day hold period under applicable securities laws from the Closing Date.



Qualified Person

Yvan Bussières, P. Eng, (Quebec) 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.

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:

Damara Gold Corp.

Larry Nagy

Chief Executive Officer

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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

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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.