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NEWS RELEASE

Damara Announces Flow-Thru and Non-Flow Financing for up to \$750,000

May 23, 2023

TSX-V: DMR

DAMARA GOLD CORP. (TSX-V:DMR) ("**Damara**" or the "**Company**"), is pleased to announce it will conduct a non-brokered private placement (the "**Offering**") for gross proceeds of up to \$750,000. The Company is pleased to offer the 30% Critical Mineral Exploration Tax Credit which was introduced to support specified critical minerals exploration expenditures incurred in Canada.

The Offering will consist of a combination of (i) up to 7,142,857 units of the Company issued on a flow-through basis (the "**FT Unit**") at a price of \$0.07 per FT Unit for gross proceeds of up to \$500,000 (the "**FT Proceeds**") and (ii), up to 5,000,000 units of the Company issued on a non-flow-through basis (the "**NFT Units**") at a price of \$0.05 for gross proceeds of up to \$250,000 (the "**NFT Proceeds**").

Each FT Unit will consist of one common share that will qualify as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Québec) and one common share purchase warrant (a "**Warrant**") with each Warrant exercisable at a price of \$0.10 per share for a period of two years following closing.

The Company intends to use the FT Proceeds to incur Canadian Exploration Expenses and "flow-through mining expenditures" as defined in the *Income Tax Act* (Canada) and the *Taxation Act* (Québec) on the Company's exploration program at its VanLab Property located in the Quebec territory of Nunavik 200 km north of Schefferville and 200 km south of Kuuujuaq, which will be incurred on or before December 31, 2024, and renounced with an effective date no later than December 31, 2023 to the subscribers of FT Units in an aggregate amount not less than the gross proceeds from the sale of the FT Units.

Each NFT unit will consist of one Common Share in the capital of the Company and one Warrant as described above. The NFT Proceeds will be used by the Company for exploration expenditures as well as for general working capital and administrative purposes.

The Company may pay finders' fees of 6% cash and 6% finders warrants ("**Finder Warrant**"). Each Finder Warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of \$0.10 for 24 months from closing on the same terms as the Warrants.

The VanLab Property

The VanLab property covers a portion of the Labrador Trough approximately 200 kilometres northwest of Schefferville and 200 kilometers south of Kuuujuaq. Historical public data obtained from the files of the "Ministère de l'Énergie et des Ressources naturelles-Québec" indicate the presence of various minerals within the siltstone and dolomite Alder Formation. The main mineral potential interest includes vanadium, copper, cobalt, niobium, molybdenum, scandium, uranium and rare earth. Within the Minowean Lake area, there is a sheared corridor 800 m by 11 km long containing polymetallic veins of arsenide, vanadate, copper and pitchblende which presents a line of 6 showings named Maxime, Racine, Ferme Sud, Ferme Nord, Ti-Poil and Surprise 2 (see attached Damara Map). The first five showings are within the Orano(formerly Areva) claims but the "Surprise 2" showing and the extension of sheared corridor are in the Damara claims.



On the “Surprise 2” showing, grab sample no 11353 A graded 6.0% vanadium and 0.7% uranium (GM41311). Another grab sample graded 1439 ppm vanadium, over 2000 ppm molybdenum, 1413 ppm lead, 1.2 ppm silver and 57 ppm uranium (GM62471).

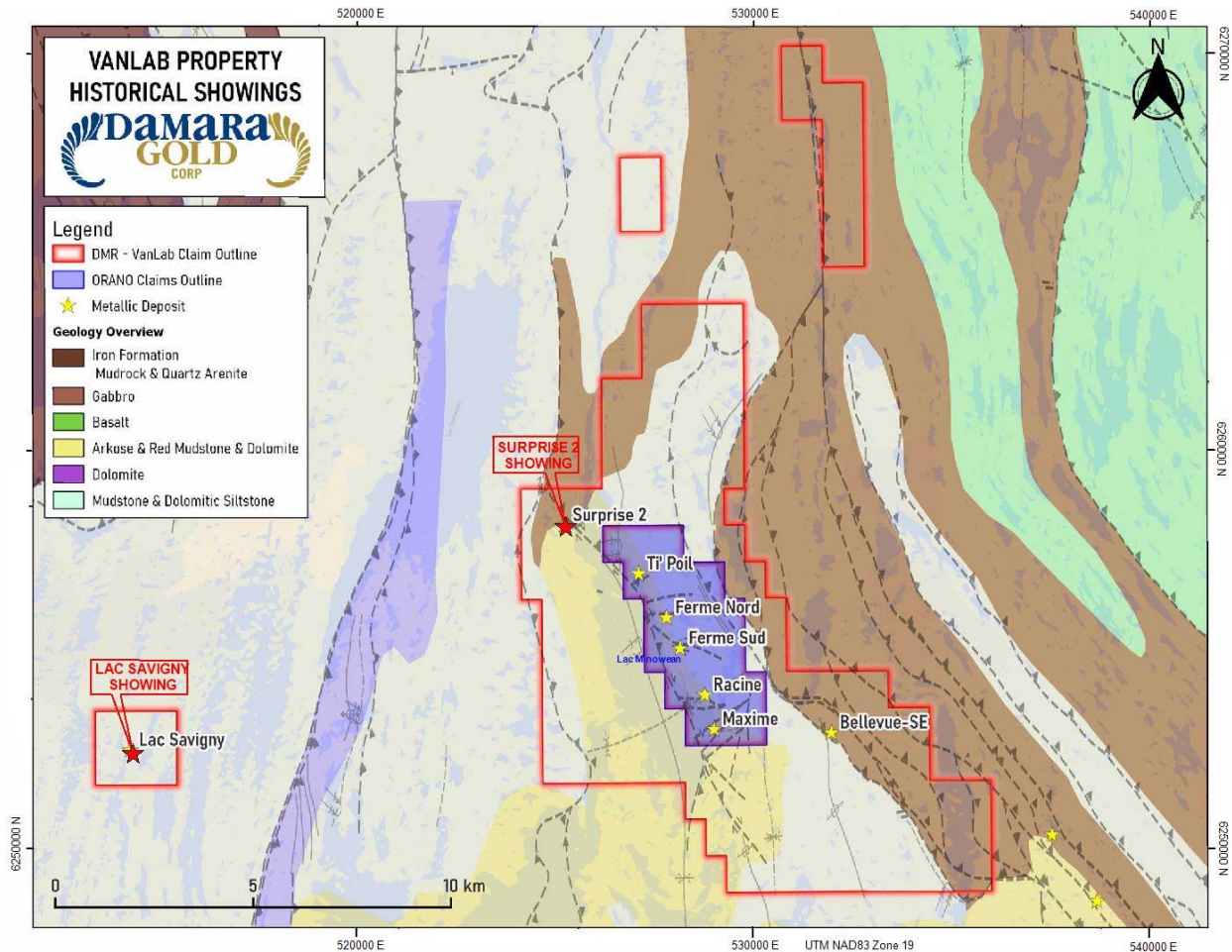
Twelve km southwest of the “Surprise 2” showing, Damara holds a block of claims containing the “Lac Savigny” showing. This showing consists of a main diatreme (brecciated explosive pipe) with a 500 m diameter surrounded by 5 satellite diatremes of a few ten-meter diameters within a 1 km radius area. The diatremes consist of carbonatite within brecciated slate of the Savigny Formation. Sample #1986025434 graded 6697 ppm of rare earth (MB 93-04). Another sample graded 0.02% niobium and 0.04% rare earths (RP 571).

The entire claim block has been surveyed by modern airborne electromagnetics, magnetics and radiometrics. Damara obtained this public data from the “Ministère” files and reprocessed them to identify specific targets for the 2023 field program. The primary exploration focus will be for vanadium, copper and cobalt.

The funds raised will be used for a one-month prospection and geology survey to locate, sample and map the mineralized zones to prepare for the next exploration phase which should consist of a drilling campaign.

The result from the samples have not been independently verified by Damara. They originate from documents filed with the “Ministère”. The scientific or technical information in this news release pertaining to Damara’s VanLab mineral property was prepared under the supervision of Yvan Bussières (P.Eng), a technical advisor and Qualified Person as defined in National Instruments 43-101 –Standards of Disclosure for Mineral Projects.

None of the securities sold in connection with the Offering will be registered under the United States Securities Act of 1933, as amended, and no such securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news 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 jurisdiction in which such offer, solicitation or sale would be unlawful.



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 release.

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 84%/16% 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:

Damara Gold Corp.

Larry Nagy

Chief Executive Officer or

Terese Gieselman

335 – 1632 Dickson Avenue • Kelowna, BC V1Y 7T2
Phone: (250) 717-1840 • www.damaragoldcorp.com



Chief Financial Officer
Ph: (250-717-1840)

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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.

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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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