



Damara Gold Corp.

An Exploration Stage Company

Condensed Consolidated Interim Financial Statements (un-audited)

April 30, 2017

Expressed in Canadian Dollars

DAMARA GOLD CORP.
An Exploration Stage Company
Nine Months ended April 30, 2017
(Expressed in Canadian Dollars)

<u>INDEX</u>	<u>PAGE</u>
• Notice of No Auditor Review	i
• Unaudited Condensed Consolidated Interim Statements of Financial Position	1
• Unaudited Condensed Consolidated Interim Statements of Comprehensive Loss	2
• Unaudited Condensed Consolidated Interim Statements of Changes In Equity	3
• Unaudited Condensed Consolidated Interim Statements of Cash Flows	4
• Notes to the Unaudited Condensed Interim Consolidated Financial Statements	5-13

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

For further information please contact:

Lawrence Nagy, CEO or

Terese Gieselman, CFO

(250) 768-1168

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at April 30, 2017 and July 31, 2016

Expressed in Canadian Dollars

	Note	April 30 2017	July 31 2016
ASSETS			
Current			
Cash and cash equivalents		\$ 5,603	\$ 64,538
Available-for-sale-investment	5	451,978	308,346
Taxes recoverable		1,748	1,520
Total current assets		459,329	374,404
Total Assets		\$ 459,329	\$ 374,404
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	6,16	165,484	147,163
Loans payable	7,16	15,000	225,000
Total current liabilities		180,484	372,163
Shareholders' Equity			
Share Capital	8	31,450,030	31,023,672
Contributed surplus	9	1,419,262	1,419,262
Accumulated comprehensive income		210,488	66,856
Deficit		(32,800,935)	(32,507,549)
Total Shareholders' Equity		278,845	2,241
Total Liabilities and Shareholders' Equity		\$ 459,329	\$ 374,404

Approved on behalf of the Board of Directors by:

/s/ Lawrence Nagy
Lawrence Nagy, Director

/s/ William Yeoman
William Yeoman, Director

See notes to consolidated financial statements.

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (un-audited)

For the three and nine months ended April 30

Expressed in Canadian Dollars

	Note	Three Months Ended		Nine Months Ended	
		2017	2016	2017	2016
Expenses					
Administrative and general	10,11	\$ 20,900	\$ (12,321)	\$ 64,863	74,564
Interest on loans payable	7	-	10,007	14,157	45,440
Total expenses		(20,900)	2,314	(79,020)	(120,004)
Other income and expenses					
Gain (loss) on settlement of debt	7,8	(214,366)	135,758	(214,366)	135,758
Write-off of exploration and evaluation assets		-	(123,497)	-	(123,497)
Net income (loss) for the period		(235,266)	14,575	(293,386)	(107,742)
Other comprehensive income					
Fair value gain on available-for-sale investment		143,632	109,114	143,632	109,114
Net income (loss) and comprehensive loss for the period		(91,634)	123,689	(149,754)	1,372
Income (loss) per share for the period - Basic and Diluted		\$ (0.00)	\$ 0.01	\$ (0.01)	0.00

See notes to consolidated financial statements.

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (un-audited)

For the nine months ended April 30

Expressed in Canadian Dollars

	Note	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance July 31, 2015		5,938,486	\$ 30,474,458	\$ 1,327,794	\$-	(32,260,493)	\$ (458,242)
Net loss for the period		-	-	-	-	(107,742)	(107,742)
Shares issued for cash	8	1,475,000	73,750	-	-	-	73,750
Shares issued for debt settlement		9,611,770	480,589	-	-	-	480,589
Share issue costs		-	(4,038)	-	-	-	(4,038)
Fair value of available-for-sale-investments		-	-	-	109,114	-	109,114
Balance April 30, 2016		17,025,256	\$ 31,024,759	\$ 1,327,794	\$ 109,114	\$ (32,368,235)	\$ 93,431

	Note	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance July 31, 2016		17,025,256	\$ 31,023,672	\$ 1,419,262	\$ 66,856	\$ (32,507,549)	\$ 2,241
Net loss for the period		-	-	-	-	(293,386)	(293,386)
Fair value of available-for-sale-investments		-	-	-	143,632	-	143,632
Shares issued for debt settlement		4,287,323	428,732	-	-	-	428,732
Share issue costs	16	-	(2,374)	-	-	-	(2,374)
Balance April 30, 2017		21,312,579	\$ 31,450,030	\$ 1,419,262	\$ 210,488	\$ (32,800,935)	\$ 278,845

See notes to consolidated financial statements.

DAMARA GOLD CORP.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (un-audited)

For the nine months ended April 30

Expressed in Canadian Dollars

	Note	2017	2016
OPERATING ACTIVITIES			
Net loss for the period		\$ (293,386)	\$ (107,742)
Items not affecting cash			
Write-off of exploration and evaluation assets net recovery		-	123,497
Loss (gain) on settlement of debt		214,366	(135,758)
Changes in non-cash working capital			
Taxes recoverable		(228)	820
Prepaid expenses and advances		-	(1,549)
Trade and other payables		22,687	65,526
Cash used in operating activities		(56,561)	(55,207)
Cash Flows From Financing Activities			
Proceeds from private placement	8	-	73,750
Share issue costs	8	(2,374)	(4,038)
Net cash provided (used) by financing activities		(2,374)	69,712
Increase (decrease) in cash during the period		(58,935)	14,505
Cash and cash equivalents beginning of period		64,538	22,758
Cash and cash equivalents end of period		\$ 5,603	\$ 37,263

Supplemental Disclosure with Respect to Cash Flows (Note 15)

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Damara Gold Corp. (“Damara” or the “Company”) was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia. On September 30, 2014, the Company changed its name to Damara Gold Corp. Effective October 1, 2014 the Company commenced trading on the TSX Venture Exchange (the “Exchange”) under the symbol “DMR” as a Tier 2 issuer.

The Company is in the business identifying and acquiring prospective and under-explored gold properties worldwide. The Company has not earned significant revenues from its mineral property interests and is considered to be in the exploration stage. The Company’s corporate head office is at Suite 110 - 2300 Carrington Road, West Kelowna, British Columbia V4T 2N6.

2. BASIS OF PREPARATION AND GOING CONCERN

These condensed interim consolidated financial statements for the nine month period ended April 30, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2016 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company’s 2016 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from August 1, 2016 and income tax expense which is expected for the full financial year.

The preparation of condensed interim consolidated financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the Company’s 2016 annual financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on June 26, 2017.

The consolidated financial statements are presented in Canadian dollars (“CDN”), which is also the Company’s functional currency.

Going Concern

The Company has not yet achieved profitable operations. These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company had a net loss of \$293,386 for the period ended April 30, 2017 (April 30, 2016 - \$107,742) and has accumulated a deficit of \$32,800,935 (July 31, 2016 - \$32,507,549) since inception. These conditions indicate the existence of material uncertainty, which casts significant doubt about the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary financing to meet the Company’s operating and mineral property commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. No adjustments to the carrying values of the assets and liabilities have been made in these consolidated financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis, which may differ materially from the going concern basis.

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Consolidation**

These consolidated financial statements include the accounts of:

	% of ownership	Jurisdiction	Principal Activity
Avasca Inc.	100	British Columbia	Dormant
Valhalla Minerals U.S. Inc.	100	Delaware	Dormant

All significant intercompany balances and transactions have been eliminated on consolidation.

Future Accounting Pronouncements

The standards listed below include only those which the Company reasonably expects may be applicable to the Company at a future date. The Company is currently assessing the impact of the standards on the consolidated financial statements.

IFRS 9 Financial Instruments

Issued by the IASB July, 2014

Effective for annual periods beginning on or after August 1, 2018

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".
- *Classification and measurement of financial liabilities:*
When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.
- *Impairment of financial assets:*
An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.
- *Hedge accounting:*
Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Future Accounting Pronouncements (cont'd)

• *Derecognition:*

The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)

Issued by the IASB May, 2014

Effective for annual periods beginning on or after August 1, 2016

Amends IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment.
- Introduce a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

IFRS 16 *Leases*

Issued by the IASB January, 2016

Effective for annual periods beginning on or after August 1, 2019

Earlier application permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers*.

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives*, and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

There have been no material revisions to the nature of judgements and amount of changes in estimates of amount reported in the Company's 2016 annual financial statements.

5. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments consist of an investment in 9,039,560 common shares of Osino Resources Corp. ("Osino"). The fair value of the available-for-sale investments as at April 30, 2017 has been determined by seed financings, an observable market transaction valuation, with third parties of \$0.05 per share, a Level 2 valuation. During the period ended April 30, 2017 the Company recorded \$143,632 as a gain (April 30, 2016 - \$109,114) of investment on marketable securities that was recognized in other comprehensive income.

6. TRADE AND OTHER PAYABLES

		April 30		July 31
		2017		2016
Trade payables - Note 7	\$	95,666	\$	123,456
Due to related parties - Note 11		69,818		23,705
Total	\$	165,483	\$	147,161

During the period ended April 30, 2017 \$4,366 of trade payables was settled by issuing 87,323 shares at an estimated fair value of \$0.10 per share resulting in a loss on debt settlement of \$4,366.

During the year ended July 31, 2016, \$319,729 of trade payables and amounts due to related parties was settled by issuing 3,438,748 units at an estimated fair value of \$0.05 per unit (the "DS Units").

7. LOANS PAYABLE**Related Party Loans**

As at April 30, 2017, \$15,000 (July 31, 2016 - \$225,000) was advanced from Colorado Resources Ltd. ("Colorado"), which has two common directors, Larry Nagy and William Lindqvist, in connection with the Company's former Namibia project. The loan was interest-bearing (15% per annum) and \$64,479 (July 31, 2016 - \$50,332) of interest expense is included in trade payables. As at December 31, 2016 the loan was non-interest bearing and payable on demand.

Loss on Debt Settlement

On March 6, 2017, the Company settled short-term advances with Colorado in the amount of \$210,000 by the issuance of an aggregate of 4,200,000 common shares (the "Debt Shares"), resulting in a loss on debt settlement of \$210,000 as follows.

<u>Debtor</u>	<u>Debt Amount</u>	<u>Share Price</u>	<u>No. Shares</u>
Colorado	\$210,000	\$0.05	4,200,000

The remaining balance of principle and interest of \$79,479 will remain outstanding and is non-interest bearing and shall be settled at a future date as the parties agree.

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

8. SHARE CAPITAL**(a) Authorized Share Capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) Common Shares

During the period ended April 30, 2017 the Company issued the following:

On March 6, 2017 the Company issued a total of 4,287,323 common shares to extinguish debt in the aggregate of \$214,366 (the "Debt Settlement"). The Debt Settlement included an amount \$210,000 (4,200,000 common shares) settled to related party loans (See Note 7). Additionally \$4,366 (87,323 common shares) in trade payables was settled with a third party (See Note 6).

During the year ended July 31, 2016:

On March 2, 2016, the Company settled short-term loans and advances and services with arm's length parties for an aggregate amount of \$224,118 by the issuance of an aggregate of 4,482,351 DS Units, resulting in a gain on debt settlement of \$6,041.

Additionally, an aggregate of \$256,471 of additional debt owed to directors and officers of the Company for loan advances and services was settled by the issuance of 5,129,419 DS Shares, resulting in a gain on debt settlement of \$147,729.

On January 18, 2016 the Company, pursuant to non-brokered private placement issued 1,475,000 units in the capital of the Company ("Units") at an issue price of \$0.05 per unit, for gross proceeds of \$73,750 (the "Offering"). Each Unit consists of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (each a "Warrant"), with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of \$0.15 until January 18, 2021. The Warrant terms will contain an acceleration provision such that if, commencing on May 19, 2016 the closing price of the Common Shares on the Exchange is higher than \$0.25 for 20 consecutive trading days then on the twentieth consecutive trading day (the "Acceleration Trigger Date") the expiry date of the Warrants may be accelerated to the date that is 30 days after the Acceleration Trigger Date (the "Accelerated Expiry Date") by the issuance of a news release announcing such Accelerated Expiry Date.

(b) Share Purchase Warrants

The following is a summary of changes in warrants from August 1, 2015 to April 30, 2017:

	Number of Warrants Outstanding	Exercise Price	Weighted Average Exercise Price
Balance, July 31, 2015	-	-	-
Granted	5,957,351	\$0.15	\$0.15
Balance, July 31, 2016 and April 30, 2017	5,957,351	\$0.15	\$0.15

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (cont'd)**(b) Share Purchase Warrants (cont'd)**

As at April 30, 2017, 5,957,351 (July 31, 2016 – 5,957,351) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 4.06 (2016 – 4.56) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
January 18, 2021	\$0.15	1,475,000
March 2, 2021	\$0.15	4,482,351
Total		5,957,351

9. SHARE-BASED PAYMENTS**(a) Option Plan Details**

The Company has an incentive stock option plan (the “Plan”) that allows it to grant share purchase options to its employees, directors, consultants and management company employees. Under the terms of the Plan, the exercise price of each option will not be lower than the lowest exercise price permitted by the Exchange (currently \$0.05). The Plan allows for a maximum of 10% of outstanding shares to be issued under the Plan. The Plan is subject to annual shareholder approval.

Options have a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant or management company employee, and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of the death of an optionee, the options terminate at the earlier of twelve months after the date of death and the expiration of the option period. Vesting of options is determined by the Board of Directors at the time the options are granted. Options issued to consultants providing investor relations activities must vest in stages over twelve months with no more than one-quarter of the options vesting in any three-month period.

Stock option activity was as follows:

August 1, 2016 to April 30, 2017								
Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Expired	Closing Balance	Vested and Exercisable	Unvested
13-Dec-12	13-Dec-17	\$1.00	30,000	-	-	30,000	30,000	-
27-Jul-16	27-Jul-21	\$0.05	1,600,000	-	-	1,600,000	1,600,000	-
			1,630,000	-	-	1,630,000	1,630,000	-
Weighted Average Exercise Price			\$0.07	-	-	\$0.07	\$0.07	-
Weighted Average Life Remaining (years)			4.9	-	-	4.18	4.18	-

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS (cont'd)**(a) Option Plan Details (cont'd)**

August 1, 2015 to July 31, 2016								
Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Expired	Closing Balance	Vested and Exercisable	Unvested
17-Dec-10	17-Dec-15	\$1.65	6,000	-	(6,000)	-	-	-
13-Dec-12	13-Dec-17	\$1.00	30,000	-	-	30,000	30,000	-
27-Jul-16	27-Jul-21	\$0.05	-	1,600,000	-	1,600,000	1,600,000	-
			36,000	1,600,000	(6,000)	1,630,000	1,630,000	-
Weighted Average Exercise Price			\$1.11	\$0.05	\$1.65	\$0.07	\$0.07	-
Weighted Average Life Remaining (years)			2	5	-	4.9	4.9	-

(b) Fair Value of Options Issued During the Period

There were no options granted during the period ended April 30, 2017 and April 30, 2016.

10. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	Three Months Ended		Nine Months Ended	
		April 30		April 30	
		2017	2016	2017	2016
Administrative and General Expenses					
Accounting and legal		\$ 401	\$ (5,082)	\$ 1,821	\$ 20,678
Consulting	10,11	10,275	(16,660)	31,425	20,065
Website, shareholder communication		750	750	2,250	1,520
Office and administration fees		288	(2,459)	8,688	8,694
Regulatory fees		5,200	5,400	7,873	8,400
Rent	11	2,886	2,886	8,758	8,658
Transfer agent fees		1,100	1,909	2,407	3,179
Travel		-	936	1,641	3,370
		\$ 20,900	\$ -	\$ 64,863	\$ 74,564

11. RELATED PARTY TRANSACTIONS**(a) Key Management Compensation**

	April 30 2017	April 30 2016
Key management personnel compensation comprised :		
Consulting fees:	\$31,425	\$20,050

- (i) Consulting fees of \$22,500 (2016 - \$7,500) were paid and/or accrued to 43983 Yukon Inc. ("43983") a company, controlled by Lawrence Nagy, the Company's Chief Executive Officer.
- (ii) Consulting fees of \$8,925 (2016 - \$12,550) were paid and/or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the Chief Financial Officer of the Company.

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (cont'd)**(b) Related Party Liabilities**

Amounts due to:	Service for:	April 30 2017	July 31 2016
Minco	Consulting Fees	\$15,213	\$7,769
43983	Consulting Fees	37,500	15,000
43983	Expenses	-	936
Colorado ¹ - common officers	Rent & Expenses	17,105	7,137
Total related party payables		\$69,818	\$23,705

1 Rent and Expenses incurred on behalf of Damara for shared office space and administrative personnel expenses. These amounts are non-interest-bearing and due on demand.

During the period ended April 30, 2016:

- 1 An amount of \$44,853 for consulting fees was settled by the issuance of 897,052 DS Shares (See Note 8);
- 2 An amount of \$45,000 for consulting fees was settled by the issuance of 900,000 DS Shares (See Note 8), and a further \$45,000 in consulting fees due was forgiven and recorded as an gain in settlement of debt (See Note 15); and
- 3 An amount of \$55,000 for consulting fees was settled by the issuance of 1,100,000 DS Shares (See Note 8), and a further \$65,000 in consulting fees was forgiven and recorded as a gain in settlement of debt (See Note 15).

12. INCOME TAXES

The Company has available losses that may be carried forward to apply against future years' income for income tax purposes. The approximate losses expire as follows:

Available to	Amount
2026	\$ 405,000
2027	380,000
2029	828,000
2030	492,000
2031	641,000
2032	481,000
2033	616,000
2034	130,000
2035	333,000
2036	213,000
	\$ 4,519,000

The Company's tax position is calculated annually and readers are referred to the audited consolidated financial statements for the year ended July 31, 2016 for further details

DAMARA GOLD CORP.

(An Exploration Stage Company)

Notes to Condensed Consolidated Interim Financial Statements (un-audited)

For the Nine Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

13. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year.

	April 30 2017	April 30 2016
Loss attributable to ordinary shareholders	(\$293,386)	(\$107,742)
Weighted average number of common shares	17,889,002	8,003,527
Basic and diluted loss per share	(\$0.02)	(\$0.01)

14. COMMITMENTS

The Company has no commitments as at January 31, 2017.

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows. During the period ended April 30, 2017 and April 30, 2016 the following transactions were excluded from the consolidated statements of cash flows:

During the period ended April 30, 2017, the Company settled related party loans in the amount of \$210,000 (2016 - \$111,618) by the issuance of 4,200,000 common shares (2016 - 2,232,367) (See Note 7 and Note 8);

During the period ended April 30, 2017, the Company settled trade payables in the amount of \$4,366 (2016 - \$Nil) by the issuance of 87,323 common shares (2016 - Nil) (See 6 and 8);

During the period ended April 30, 2017 the Company recorded a loss on the settlement of debt of \$214,366 (2016 - \$Nil) (See Note 6 and 7).

During the period ended April 30, 2017, the Company settled trade payables in the amount of \$Nil (2016 - \$27,085) by the issuance of Nil DS Units (2016 - 541,696 Units) (See Note 8);

During the period ended April 30, 2017, the Company settled related party trade payables in the amount of \$Nil (2016 - \$144,853) by the issuance of Nil DS Shares (2016 - 2,897,052 DS Shares) (See 8 and 12);

During the period ended April 30, 2017 the Company recorded a gain on settlement of debt of \$Nil (2016 - \$5,979) pursuant to the forgiveness of interest on loans (See Note 8);

During the period ended April 30, 2017 the Company recorded a gain on settlement of related party debt of \$Nil (2016 - \$80,000) pursuant to the forgiveness of consulting fees (See Note 11);

During the period ended April 30, 2017 the Company recorded a gain on settlement of \$Nil (2016 - \$11,987) pursuant to the forgiveness trade payables from prior years; and

During the period ended April 30, 2016 the Company recorded a gain on settlement of \$Nil (2016 - \$37,791) pursuant to the forgiveness of trade payables.