

BC FORM 51-102F3

Securities Act

Material Change Report Under Section 7.1 of NI 51-102

ITEM 1 Name and Address of Company

Damara Gold Corp. (the “**Company**”)  
Landmark 3, 335 – 1632 Dickson Avenue  
Kelowna, BC V1Y 7T2

ITEM 2 Date of Material Change

September 5, 2018

ITEM 3 News Release

New release announcing the material change was disseminated on September 6, 2018 through CNW and through SEDAR.

ITEM 4 Summary of Material Changes

The Company announced it has entered into a business combination agreement dated September 5, 2018 (the “**Business Combination Agreement**”) with New Found Gold Corp., a private Ontario corporation, whereby Damara will acquire all of the outstanding shares of New Found Gold Corp. (the “**NFG Shares**”) in exchange for common shares in the capital of the Company (the “**Damara Shares**”) by way of a three-cornered amalgamation (the “**Proposed Transaction**”).

ITEM 5 Full Description of Material Change

The Proposed Transaction will be effected by way of a three-cornered amalgamation pursuant to which Damara will acquire all of the issued and outstanding NFG Shares in exchange for the issuance of Damara Shares to shareholders of New Found Gold (the “**NFG Shareholders**”). As a result of the Proposed Transaction, the current shareholders of New Found Gold would own a majority of the issued and outstanding Damara Shares.

The Proposed Transaction will constitute an arm’s length Reverse Takeover of Damara pursuant to TSX Venture Exchange (the “**Exchange**”) Policy 5.2 – *Changes of Business and Reverse Takeovers*. Upon completion of the Proposed Transaction, Damara will continue on with the business of New Found Gold and remain a Tier 2 mining issuer (the Company after the completion of the Proposed Transaction being referred to herein as the “**Resulting Issuer**”).

Prior to the completion of the Proposed Transaction, Damara will consolidate its share capital on a 6 (old) to 1 (new) basis and change its name to “New Found Gold Corp.” or such other name as may be agreed by the parties. Pursuant to the Proposed Transaction, the NFG Shareholders will receive one (1) post-consolidation Damara Shares for each NFG Share held.

Prior to closing of the Proposed Transaction, New Found Gold intends to complete a private placement financing (the “**Concurrent Financing**”) through the issuance of a minimum of 12,500,000 subscription receipts (the “**Minimum Offering**”) and up to a maximum of 22,500,000 subscription receipts (the “**Maximum Offering**”) at a price of \$0.60 per NFG Share for gross proceeds of \$7,500,000 assuming completion of the Minimum Offering and up to \$13,500,000 assuming the Maximum Offering is fully subscribed.

Upon completion of the Proposed Transaction and subject to compliance with applicable laws, including the policies of the Exchange, all outstanding convertible securities of New Found Gold will be exchanged for incentive stock options of the Resulting Issuer having the same economic benefits for the holders thereof.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to (i) the completion of the Minimum Offering; (ii) the approval by the shareholders of Damara and the NFG Shareholders to complete the Proposed Transaction, (iii) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange; and (iv) the completion of satisfactory due diligence by each of the parties. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

At the Company's request, trading in the Damara's Shares has been halted by the Exchange effective September 6, 2018. Trading is expected to remain halted until, at the earliest, the completion of the Proposed Transaction.

**ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

This material change report is not being filed on a confidential basis.

**ITEM 7 Omitted Information**

No information has been omitted on the basis that it is confidential information.

**ITEM 8 Executive Officer**

The name and telephone number of the director of the Company who is knowledgeable about the material change and the material change report is:

Terese Gieselman, Chief Financial Officer  
Tel: 250-717.1840

**ITEM 9 Date of Report**

September 7, 2018