



For the Year Ended July 31, 2020

The following management's discussion and analysis ("MD&A") has been prepared as of November 25, 2020 and should be read in conjunction with Damara Gold Corp.'s audited consolidated financial statements for the year ended July 31, 2020 and comparative year July 31, 2019. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and all numbers are reported in Canadian dollars, unless otherwise stated.

Throughout the report we refer to Damara, the "Company", "we", "us", "our" or "its". All these terms are used in respect of Damara Gold Corp. **Additional information on the Company can be found on SEDAR at www.sedar.com and the Company's website at www.damaragoldcorp.com.**

Cautionary Statement on Forward-Looking Information

This report contains "forward-looking statements", including, the Company's expectations as to but not limited to, comments regarding, any acquisition, the timing and content of any future work programs or exploration budgets, geological interpretations, receipt of property titles, and potential mineral recovery processes. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. The material factors and assumptions used to develop the forward-looking statements and forward-looking information contained in this MD&A include the following: working capital, project generation and acquisition ability. Due to the nature of the mineral resource industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Company. Accordingly, while the Company anticipates that it will have the ability to spend the funds available to it there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Damara assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, economic and political events affecting metal supply and demand, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, and other risks. Actual results may differ materially from those currently anticipated in such statements.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

Overview Performance and Operations

Damara Gold Corp. was incorporated on August 1, 1989 under the *Business Corporations Act* of British Columbia as Solomon Resources Limited. 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.

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The Company is in the business of exploring and developing mineral property interests. The Company's corporate head office is at Suite 335 – 1632 Dickson Ave, Kelowna, BC V1Y 7T2.

Fundamental Acquisition

On October 16, 2020, Damara entered into an assignment and assumption with Canarc Resources Corp. ("Canarc") pursuant to which Canarc has assigned (the "Assignment") all of its rights, obligations, interests and assets with respect to a property option agreement dated December 20, 2018 and amended on June 3, 2019 (the "Option Agreement") between Canarc, Universal Copper Ltd. ("Universal") and Sydney Wilson ("Wilson") to acquire a 75% interest (the "Option") in certain mineral claims of Universal and Wilson (the "Princeton Property"), subject to the Universal NSR and Wilson NSR (as defined herein).

The Princeton Property is comprised of 22 mineral claims covering approximately 8,955 hectares located approximately 35km south of Princeton, British Columbia.

Consideration for the Assignment of the Option Agreement to Damara includes:

- Complete the \$300,000 in exploration expenditures on or before December 31, 2020 pursuant to the terms of the Option Agreement (the "Earn-In Expenditures");
- Issuance of such number of common shares in the capital of Damara (the "Damara Shares") as is equal to 9.9% of the total issued and outstanding Damara Shares on closing on the Assignment;
- subject to the exercise of the Option on or before December 31, 2021, the issuance of such number of Damara Shares that increase Canarc's aggregate ownership in the capital of Damara to 19.9%; and
- otherwise take all additional steps necessary to exercise the Option in accordance with the terms and conditions of the Option Agreement

The Princeton Property is subject to a 1% NSR to Universal which can be purchased for \$1,000,000 (the "Universal NSR") and a 2% NSR to Wilson which can be reduced 1% for cash purchase of \$1,000,000 (the "Wilson NSR").

The Company will conduct a non-brokered private placement (the "Financing") of up to 10,000,000 units (the "Units") of the Company at a price of \$0.05 per Unit for gross proceeds of up to \$500,000.

Each Unit will consist of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant a "Warrant"). Each Warrant will entitle the holder to acquire one additional Common Share at a price of \$0.10 per share for a period of 24 months from closing.

The Company may pay finders' fees of 5% non-transferable finders warrants ("Finder Warrant") to eligible finders. Each Finder Warrant will entitle the holder to acquire one Common Share at a price of \$0.10 per share for a period of 24 months from closing.

All securities issued under the Financing will be subject to a hold period of four months and a day from the date of issuance in accordance with applicable securities laws.

The Company intends to use the net proceeds of the Financing for purposes of completing the Assignment and funding the required earn-in expenditures and operating costs in relation to the development of the Princeton Property and working capital.

Completion of the Assignment and the Financing are expected to occur by end of November 2020 or first week of December 2020 and are subject to satisfaction of a number of customary conditions precedent, including, without limitation, the acceptance of the Exchange and the satisfaction of any conditions which the Exchange may impose, including those applicable to Fundamental Acquisitions (as such term is defined in Exchange Policy 5.3).

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Trading Halt

In connection with the Proposed Transaction at the Company's request, trading in the Damara's Shares were halted by the Exchange effective October 16, 2020.

Corporate

On August 26, 2020 the Company received the consent of the Exchange to amend the expiry date of 5,000,000 outstanding share purchase warrants that were issued pursuant to a private placement completed in August 2017 (the "2017 Warrants") originally to expire on August 31, 2020. The new expiry date for the 2017 Warrants is August 31, 2022. Each 2017 Warrant entitles the holder to purchase one common share in the capital of the Company at a price of \$0.10 per common share until August 31, 2022.

Outlook

The Company's focus subject to receipt of the required approvals from the Exchange will be to complete the Fundamental Acquisition and Financing as described hereinabove. Upon receipt of the required approvals and completion of the Financing management will commence the working program to complete the Earn-In-Expenditures on or before December 31, 2020.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Selected Annual Information

The following table summarizes selected financial data reported by the Company for the years ended July 31, 2020, 2019 and 2018. The following annual results are compliant with IFRS.

	Years Ended		
	July 31, 2020	July 31, 2019	July 31, 2018
Total revenue	\$Nil	\$Nil	\$Nil
Income (loss) before income tax	\$(66,715)	\$(221,622)	\$41,416 ¹
Total comprehensive loss	\$(66,715)	\$(221,622)	\$(179,062)
Net income (loss) per share basic and diluted	\$(0.00)	\$(0.01)	\$0.00
Total assets	\$71,003	\$103,701	\$356,773
Current liabilities	\$52,307	\$18,290	\$49,740
Long term liabilities	—	—	—
Shareholders' equity	\$18,696	\$85,411	\$307,033

¹Includes gain on sale of available-for-sale investments of \$220,478;

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Results of Operations

The Company has no operating revenues and relies on external financings to generate capital for its continued operations. As a result of its activities, the Company continues to incur annual net losses.

Financial Results for the year ended July 31, 2020 and 2019

For the year ended July 31, 2020, the Company reported a \$66,715 net loss and comprehensive loss or \$0.00 basic and diluted loss per share compared to a \$221,622 or \$0.01 loss per share for the same comparative period ended July 31, 2019. The loss was attributed to general and administrative operating costs of \$66,715 (2019 - \$221,622) as described herein below.

	2020 \$	2019 \$	Variance \$
Accounting and legal	7,858	61,407	(53,549)
Consulting	45,363	97,175	(51,813)
Website, shareholder communication	-	8,044	(8,044)
Exchange loss	4	-	4
Office and administration fees	5,855	18,169	(12,314)
Insurance	8,936	18,402	(9,466)
Exchange and regulatory fees, <i>net of recovery</i>	(17,027)	14,299	(31,326)
Rent	12,000	4,125	7,875
Transfer agent fees	3,726	-	3,726
	66,715	221,622	(154,907)

Significant variances to note were:

Accounting and legal – the decrease in professional fees related to legal fees and auditor reviews in connection with a proposed transaction that was contemplated in the comparative year but was not completed;

Consulting – the decrease in consulting fees relates to the reduced activity and an effort to reserve working capital;

Website, shareholder communication – the current year period saw a 100% decrease in website, shareholder and communication in comparison to the prior year wherein the Company had several news releases, and website updates in relation to a proposed transaction during the year that did not complete; and

Exchange and regulatory fees – the decrease and credit for the period relates to the recovery of \$25,000 in expenses in connection with a transaction contemplated in the prior year that did not complete.

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Summary of quarterly results

	Q1	Q2	Q3	Q4
FY 2020	\$	\$	\$	\$
Revenues	—	—	—	—
Net loss and comprehensive loss	(19,780)	(20,123)	8,669	(35,481)
Net loss and comprehensive loss per share	(0.00)	(0.00)	0.00	(0.00)

	Q1	Q2	Q3	Q4
FY 2019	\$	\$	\$	\$
Revenues	—	—	—	—
Net loss and comprehensive loss	(70,008)	(95,155)	(25,035)	(31,424)
Net loss and comprehensive loss per share	(0.00)	(0.00)	(0.01)	(0.00)

Fourth Quarter

The Company recorded a net comprehensive loss of \$35,481 for the three months ended July 31, 2020 (2019 - \$31,424). The loss for the current and comparative year was attributed to general and administrative costs of \$35,481 (2019 – \$31,424). Included in the current year Q4 was a \$25,000 in recovery of filing fees in connection with the termination of a proposed transaction (2019 - \$21,000).

Significant variances to note include in prior quarters to note included:

Increase in general and administration costs for Q1 and Q2 2019 were in relation to the proposed transaction in the prior year as noted hereinabove.

Liquidity and capital resources

	July 31 2020	July 31 2019
Financial position:		
Cash	\$68,623	\$80,524
Working capital	\$18,696	\$85,411
Total assets	\$71,003	\$103,701
Shareholders' equity	\$18,696	\$85,411

As at July 31, 2020 the Company has working capital of approximately \$18,696 (2019 - \$85,411). The decrease in working capital from July 31, 2019 was for the cost of general and administrative costs. Cash inflows for the current period included the receipt of outstanding receivables of \$21,000 recorded as at July 31, 2019 and the recovery of general and administrative expenses of \$25,000 incurred in the prior year.

As described herein above the Company anticipates on the completion of the Fundamental Acquisition and Financing it will provide the funds to complete the Earn-In-Expenditures and provide working capital for the next six to nine months working capital. The Company will require additional funding to complete any significant development of its exploration and evaluation assets.

The Company has not yet generated revenue to date and will not generate funds from operations for the foreseeable future as such the Company is primarily reliant upon the issuance of equity securities in order to fund operations. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants. The Company will continue to have to raise funds for operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company's policy is to invest its cash when

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applicable in highly liquid, short term, interest bearing investments with maturities of 90 days or less from the date of acquisition or for longer periods where such investment may be redeemable after 30 days. The Company is not subject to externally imposed capital requirements.

There can be no assurance that the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to further curtail its activities to a level for which funding is available and can be obtained.

Off balance-sheet arrangements

There are currently no off- balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

Transactions with related parties

(a) Key Management Compensation

	July 31 2020	July 31 2019
Key management personnel compensation comprised:		
Consulting fees	\$45,363	\$97,175
Administration	1,997	\$6,438
	\$47,360	\$103,613

- (i) Consulting fees of \$30,000 (2019 - \$60,000) were paid and/or accrued to 43983 Yukon Inc. company, controlled by Lawrence Nagy, Chief Executive Officer, of the Company.
- (ii) Consulting fees of \$15,363 (2019 - \$37,175) were paid and/or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the Chief Financial Officer of the Company.
- (iii) Administrative fees of \$1,997 (2019 - \$6,438) were paid and/or accrued to Minco in relation to providing administrative and accounting services.

(b) Rent

The Company currently pays Golden Ridge Resources Ltd. (a company with common directors and officers) rent and expenses on a month to month basis for shared offices space for total rent of \$12,000 (2019 - \$14,299).

(c) Related Party Liabilities

Amounts due to:	Service for:	July 31 2020	July 31 2019
Minco	Consulting Fees	\$5,049	\$1,575
Minco	Expenses	-	679
43983 Yukon Inc.	Consulting Fees	30,000	-
43983 Yukon Inc.	Expenses	409	409
Golden Ridge Resources Ltd: ¹ - common directors	Rent & Expenses	4,112	-
Total related party payables		\$39,570	\$2,663

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

Critical Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below:

Critical Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below.

Critical Judgments

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Recently Adopted and Future Accounting Pronouncements

Adoption of Accounting Standards

IFRS 16 Leases

On July 1, 2019, the Company adopted IFRS 16 *Leases* ("IFRS 16"), which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 *Leases*. The adoption of IFRS 16 did not have a material impact on the Company's consolidated financial statements as the Company has no long-term leases.

Future Accounting Standards

IFRS 17 Insurance Contracts

IFRS 17 *Insurance Contracts* ("IFRS 17") is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts*, and

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related interpretations. This standard will be effective for the Company's annual period beginning July 1, 2021. The Company has assessed that the impact of IFRS 17 on its consolidated financial statements would not be significant.

Financial instruments and other instruments

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

General Objectives, Policies and Processes

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of interest rate and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and non-interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

As at July 31, 2020, the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Foreign Exchange Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar and other foreign currencies will affect the Company's operations and financial results.

The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and receivables. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to endeavour that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, circumstances may arise where the Company is unable to meet those goals. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company endeavours not to maintain any trade payables beyond a 30-day period to maturity.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The consolidated statements of financial position carrying amounts for receivables, and trade and other payables approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities which include cash and cash equivalents and marketable securities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Capital Management

The Company monitors its common shares, warrants and stock options as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended July 31, 2020.

Outstanding Share Data

Damara's authorized capital is unlimited common shares without par value. As at the date of this report 26,312,579 common shares were issued and outstanding. The Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise Price	Expiry Date
Stock Options	1,150,000	\$0.05	Jul-27-21
Share Purchase Warrants	5,000,000	\$0.10	Aug-31-20 ¹
Share Purchase Warrants	1,475,000	\$0.15	Jan-18-21
Share Purchase Warrants	4,482,351	\$0.15	Mar-02-21

¹ Subsequent to July 31, 2020, the Company received Exchange approval to extend the expiry of these warrants from August 31, 2020 to August 31, 2022.

Risks and uncertainties

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and is subject to fluctuations in market sentiment, metal prices, foreign exchange and interest rates. The Company is currently without an exploration property and there is no certainty that through its project investigation activities that it will be able to secure an asset in order to maintain its listing on the Exchange as a Tier 2 listed issuer. The only sources of future funds for acquisition or future exploration programs upon success of an acquisition available to the Company is the sale of equity capital. Although the Company has been successful in not only acquiring exploration assets and accessing the equity market during the past years, there is no assurance that such sources of financing will be available on acceptable terms, if at all.

The Company does not have any employees. All work is carried out through independent consultants and the Company requires that all professional consultants carry their own insurance to cover any potential

liabilities as a result of their work on a project. In certain cases where consultants are unable to carry their own insurance the Company includes such individuals under its coverage.

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 \$66,715 for the year ended July 31, 2020 (2019 - \$221,622) and has accumulated a deficit of \$33,092,847 (2019 - \$33,026,132) since inception.

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. Although the Company has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These conditions indicate the existence of material uncertainties, which casts significant doubt about the Company's ability to continue as a going concern.

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.

Forward Looking Statements – Completion of the Assignment and Financing

This MD&A contains forward-looking statements and information that are based on the beliefs of management and reflect Damara's current expectations. The forward-looking statements and information in this report relating to the Financing, including the use of proceeds from the Financing and the Company's expectation that it will close the Assignment. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, 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 statements.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS REPORT REPRESENTS THE EXPECTATIONS OF DAMARA AS OF THE DATE OF THIS REPORT 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.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained on SEDAR at www.sedar.com.