



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the three months ended March 31, 2020**

In Canadian dollars

**UNAUDITED**

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**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of Reunion Gold Corporation 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 unaudited condensed interim consolidated financial statements.

# Reunion Gold Corporation

## Consolidated Statements of Financial Position

<i>(unaudited, in Canadian dollars)</i>	March 31, 2020	December 31, 2019
	\$	\$
<b>ASSETS</b>		
Current		
Cash (Note 4)	3,344,675	3,367,241
Receivable from Barrick	82,127	-
Receivable from related parties	102,490	98,816
Sales taxes receivable	31,094	52,200
Other receivables	15,279	10,255
Prepaid expenses and deposits	276,551	281,513
	<b>3,852,216</b>	<b>3,810,025</b>
Non-current		
Property and equipment (Note 5)	1,021,144	1,123,785
Exploration and evaluation assets (Note 6)	3,150,303	2,855,150
<b>TOTAL ASSETS</b>	<b>8,023,663</b>	<b>7,788,960</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	2,830,590	2,385,684
Payable to Barrick (Note 6)	-	97,605
Note payable (Note 7)	34,126	123,121
Lease liabilities (Note 8)	78,469	127,530
	<b>2,943,185</b>	<b>2,733,940</b>
Non-current		
Lease liabilities (Note 8)	-	3,878
<b>TOTAL LIABILITIES</b>	<b>2,943,185</b>	<b>2,737,818</b>
<b>EQUITY</b>		
Share capital (Note 9)	136,501,616	134,883,021
Contributed surplus	20,188,281	19,778,140
Deficit	(150,618,718)	(148,436,471)
Cumulative translation adjustment	(990,701)	(1,173,548)
<b>TOTAL EQUITY</b>	<b>5,080,478</b>	<b>5,051,142</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,023,663</b>	<b>7,788,960</b>

Going Concern (Note 2) and Commitments and Contingencies (Note 11).

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

On behalf of the Board,  
/s/ Réjean Gourde  
 Réjean Gourde, Director

/s/ Elaine Bennett  
 Elaine Bennett, Director

# Reunion Gold Corporation

## Consolidated Statements of Comprehensive Loss

<i>(unaudited, in Canadian dollars)</i>	Three months ended March 31,	
	2020	2019
	\$	\$
<b>Expenses and other items</b>		
Exploration (Note 12)	1,261,568	1,999,643
Management and administration (Note 13)	366,635	546,161
Share-based compensation (Note 10)	286,736	120,748
Depreciation and amortization (Note 5)	184,329	103,499
Accretion on note payable and lease liabilities (Notes 7 and 8)	6,292	-
Expected credit loss	-	39,365
Finance income	(5,820)	(17,532)
Loss (gain) on foreign exchange	34,912	(183,995)
<b>Net loss for the period</b>	<b>(2,134,652)</b>	<b>(2,607,889)</b>
Other comprehensive loss		
Item that will not be subsequently reclassified to income		
Foreign currency translation adjustment	182,847	(238,999)
<b>Comprehensive loss for the period</b>	<b>(1,951,805)</b>	<b>(2,846,888)</b>
Basic and diluted loss per common share	(0.01)	(0.01)
Weighted average number of shares - basic and diluted	419,194,282	366,126,365

*The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.*

# Reunion Gold Corporation

## Consolidated Statements of Changes in Shareholders' Equity

<i>(unaudited, in Canadian dollars)</i>	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Cumulative translation adjustment	Total equity
		\$	\$	\$	\$	\$
Balance at December 31, 2019	418,605,271	134,883,021	19,778,140	(148,436,471)	(1,173,548)	5,051,142
Private placement (Note 9)	<b>13,400,000</b>	<b>1,618,595</b>	<b>123,405</b>	-	-	<b>1,742,000</b>
Share issue expenses (Note 9)	-	-	-	<b>(47,595)</b>	-	<b>(47,595)</b>
Share-based compensation (Note 10)	-	-	<b>286,736</b>	-	-	<b>286,736</b>
Net loss for the period	-	-	-	<b>(2,134,652)</b>	-	<b>(2,134,652)</b>
Foreign currency translation adjustment	-	-	-	-	<b>182,847</b>	<b>182,847</b>
<b>Balance at March 31, 2020</b>	<b>432,005,271</b>	<b>136,501,616</b>	<b>20,188,281</b>	<b>(150,618,718)</b>	<b>(990,701)</b>	<b>5,080,478</b>
Balance at December 31, 2018	320,541,587	119,822,784	18,520,659	(133,691,123)	(800,057)	3,852,263
Private placement	87,290,000	13,093,500	-	-	-	13,093,500
Share issue expenses and broker warrants	-	-	36,733	(737,594)	-	(700,861)
Share-based compensation	-	-	120,748	-	-	120,748
Net loss for the period	-	-	-	(2,607,889)	-	(2,607,889)
Foreign currency translation adjustment	-	-	-	-	(238,999)	(238,999)
<b>Balance at March 31, 2019</b>	<b>407,831,587</b>	<b>132,916,284</b>	<b>18,678,140</b>	<b>(137,036,606)</b>	<b>(1,039,056)</b>	<b>13,518,762</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Reunion Gold Corporation

## Consolidated Statements of Cash Flows

<i>(unaudited, in Canadian dollars)</i>	Three months ended March 31,	
	2020	2019
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(2,134,652)	(2,607,889)
Adjustments		
Share-based compensation	286,736	120,748
Depreciation and amortization	184,329	103,499
Expected credit loss	-	39,365
Accretion on note payable and lease liabilities	6,292	-
Unrealized loss (gain) on foreign exchange	34,912	(183,995)
Changes in working capital items		
Receivable from Barrick	(179,732)	(1,545,341)
Receivable from related parties	(3,674)	(45,855)
Sales taxes receivable	21,106	(115,631)
Other receivables	(3,906)	(20,811)
Prepaid expenses and deposits	19,517	(13,611)
Accounts payable and accrued liabilities	247,940	(131,059)
Income taxes payable	-	(1,627)
	<b>(1,521,132)</b>	<b>(4,402,207)</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	-	(60,370)
Additions to exploration and evaluation assets	-	(66,086)
	-	(126,456)
<b>FINANCING ACTIVITIES</b>		
Private placement (Note 9)	1,742,000	13,093,500
Share issue expenses (Note 9)	(38,595)	(700,861)
Issuance of shares from the exercise of stock options and warrants	-	81,250
Reimbursement of note payable (Note 7)	(97,969)	(96,598)
Repayment of lease liabilities (Note 8)	(58,099)	-
	<b>1,547,337</b>	<b>12,377,291</b>
Effect of exchange rate changes on cash held in foreign currency	(48,771)	(39,252)
Net change in cash and cash equivalents	(22,566)	7,809,376
Cash and cash equivalents, beginning of period	3,367,241	1,262,635
Cash and cash equivalents, end of period	3,344,675	9,072,011
<b>Supplemental cash flow information</b>		
Additions to exploration and evaluation assets included in accounts payable and accrued liabilities	65,435	33,407
Share issue expenses included in accounts payable and accrued liabilities	9,000	-
Fair value of warrants granted	123,405	36,733
Accretion on note payable, included in property and equipment	-	13,538

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

**Three months ended March 31, 2020** *(unaudited - in Canadian dollars)*

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## 1. GENERAL INFORMATION

Reunion Gold Corporation (“Reunion Gold” or the “Company”) is a Canadian-based company. Reunion Gold is primarily engaged in the acquisition, exploration and development of gold mineral properties in the Guiana Shield region in South America. To date, the Company has not earned significant revenue. The Company’s mineral assets include option agreements to acquire the Dorlin and Boulanger gold projects in French Guiana and option agreements to acquire early-stage exploration properties, namely Haute Mana in French Guiana and Waiamu, Aremu North, Arawini, Oko West and Kartuni in Guyana. The Aremu North project is part of the strategic alliance with Barrick Gold Corporation (“Barrick”) described in Note 6.

All financial results in these unaudited condensed interim consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. Reunion Gold’s common shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol RGD.

The Board of Directors approved these unaudited condensed interim consolidated financial statements on May 28, 2020.

### *COVID-19*

The outbreak of the coronavirus (COVID-19) has resulted in a major global health crisis which at the date of these condensed interim consolidated financial statements continues to have a significant impact on the global economy and the financial markets. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, are all having an impact on the Company’s activities and access to capital. In March 2020, the Company suspended all of its exploration activities which remain suspended at the time of preparation of these condensed interim consolidated financial statements. There can be no assurance that the Company will not be further impacted by adverse consequences of the COVID-19 pandemic, which may include reduced resource prices, share prices and financial liquidity and thereby severely limit the financing capital available in the mineral exploration sector as well as impair access to supplies, contractors and affect the Company’s ability to retain its staff and management.

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 *(unaudited - in Canadian dollars)*

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## 2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on the basis of a going concern, which assumes that the Company will continue operations in the foreseeable future and will realize its assets and discharge its liabilities and commitments in the normal course of operations.

The Company is subject to a number of risks and uncertainties associated with its future exploration activities including the impact of the COVID-19 pandemic, as described in Note 1, and the ability of the Company to obtain the necessary financing to meet existing commitments, to provide for management and administration expenses for at least the next 12 months and to carry out its planned exploration program.

At March 31, 2020, the Company had a working capital of \$909,031 (\$1,076,085 at December 31, 2019), had an accumulated deficit of \$150,618,718 (\$148,436,471 at December 31, 2019) and incurred a net loss of \$2,134,652 for the three months ended March 31, 2020 (a net loss of \$2,607,899 for the three months ended March 31, 2019). Working capital at March 31, 2020 included cash of \$1,009,023 (\$1,346,848 at December 31, 2019) to be spent on the Guyana Projects in accordance with the terms of the Alliance agreement with Barrick described in Note 6.

The Company requires additional funds at March 31, 2020 to settle all of its liabilities, to meet existing commitments, to provide for management and administration expenses for at least the next 12 months and to carry-out its planned exploration program. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding will be available to the Company or that they will be available when such funds are required. Should the Company not be successful in raising additional funds, it may be required to delay, reduce the scope of, or eliminate its current or future exploration activities, any of which could have a negative impact on the business, financial condition and results of operation of the Company.

If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying value of the assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

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## 3. BASIS OF PREPARATION

### *Change in Year End*

During the nine months ended December 31, 2019, the Company changed its financial year end to December 31, from March 31. The Company's transition period is the nine months ended December 31, 2019, and the comparative period for these condensed interim consolidated financial statements is the three months ended March 31, 2019. The new financial year aligns the Company with its peer group in the mineral resources sector.

### *Basis of presentation*

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and follow the same accounting policies as the Company's most recent annual consolidated financial statements. These condensed interim consolidated financial statements do not contain all of the information and disclosures required for annual financial statements and should be read in conjunction with the Company's annual audited consolidated financial statements for the nine months ended December 31, 2019 and the year ended March 31, 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

## 4. CASH

Cash at March 31, 2020 includes an amount of \$1,009,023 to be spent on the Guyana Projects as part of the Alliance with Barrick (\$1,346,848 at December 31, 2019) (Note 6).

## 5. PROPERTY AND EQUIPMENT

Assets subject to depreciation and amortization are as follows:

	\$
Net book value at December 31, 2019	1,123,785
Acquisitions	-
Depreciation and amortization	<b>(184,329)</b>
Net exchange difference	<b>81,688</b>
Net book value at March 31, 2020	<b>1,021,144</b>



# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

## 6. EXPLORATION AND EVALUATION ASSETS

Amounts invested in exploration and evaluation assets not subject to depreciation and amortization are as follows:

	December 31, 2019	Additions	Net exchange difference	March 31, 2020
	\$	\$	\$	\$
Dorlin (French Guiana)	-	-	-	-
Boulanger (French Guiana)	1,662,462	-	114,114	1,776,576
Haute Mana (French Guiana)	-	-	-	-
Aremu North (Guyana) (i)	192,617	-	17,952	210,569
Waiamu (Guyana)	410,416	-	36,876	447,292
Arawini (Guyana) (ii)	389,640	65,435	41,470	496,545
Oko West (Guyana)	46,756	-	5,158	51,914
Kartuni (Guyana)	153,259	-	14,148	167,407
<b>Total</b>	<b>2,855,150</b>	<b>65,435</b>	<b>229,718</b>	<b>3,150,303</b>

### (i) Strategic Alliance with Barrick

Following the execution of a strategic alliance agreement (“SAA”) with Barrick in early 2019 to form a 50:50 alliance to jointly explore for, develop and mine certain mineral projects in the Guiana Shield (the “Alliance”), the Company initially contributed to the Alliance the Waiamu, Aremu North, Arawini, Oko West and Kartuni projects (the “Guyana Projects”) and Barrick solely funded exploration expenditures on the Guyana Projects up to an agreed amount, which totalled US\$3.9 million. Subsequent funding is on a 50:50 basis between the Company and Barrick. On January 30, 2020, following a review of the results from the exploration work done at the Waiamu, Arawini, Oko West and Kartuni projects and in accordance with the terms of the SAA, Barrick elected to exclude these projects from the Alliance and as a result, Barrick’s 50% beneficial interest in those projects reverted to the Company. At March 31, 2020, the Aremu North Project remains in the Alliance.

The Company recognizes in its unaudited condensed interim consolidated financial statements only its share of the assets, liabilities and expenses of the Alliance. The Company used the carrying amount of the excluded projects from the Alliance, prior to their exclusion from the Alliance, as the carrying amount for the Company’s 100% interest in those Guyana Projects. As part of the SAA, the Company agreed to spend at least 25% of the proceeds of the private placement completed in February 2019 on the Guyana Projects within a period of two years (Note 4).

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

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## 6. EXPLORATION AND EVALUATION ASSETS (continued)

### (ii) Arawini Project

During the three months ended March 31, 2020, the Company recorded option payments due of \$65,435 (US\$50,000) related to certain blocks within the Arawini project. Such amounts have not been paid at March 31, 2020. The Company is in discussion with the titleholder to defer these payments by up to 12 months. On May 12, 2020, the titleholder of the Arawini property agreed to defer by 12 months the option payment of US\$150,000 which was to be made by the Company in March 2020 and amounts owing in subsequent years.

## 7. NOTE PAYABLE

On May 30, 2018, the Company entered into a 2-year non-interest bearing note payable related to the purchase of mobile equipment to conduct exploration activities in Guyana. Given that the note payable is non-interest bearing, the Company accounted for its estimated fair value using a discount rate of 12%. The balance of the note payable (the last payment is due on April 30, 2020) was determined as follows:

	Three months ended March 31, 2020
	\$
Balance at December 31, 2019	123,121
Accretion expense	2,879
Reimbursement of note payable	(97,969)
Effect of foreign exchange	6,095
<b>Balance at March 31, 2020</b>	<b>34,126</b>

## 8. LEASE LIABILITIES

The balance of the lease liabilities at March 31, 2020, accounted for in accordance with IFRS 16, *Leases*, using a discount rate of 12%, is as follows:

	Three months ended March 31, 2020
	\$
Balance at December 31, 2019	131,408
Accretion expense	3,413
Repayment of liabilities	(58,099)
Effect of foreign exchange	1,747
<b>Balance at March 31, 2020</b>	<b>78,469</b>

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

## 9. SHARE CAPITAL AND WARRANTS

### *Issued and outstanding*

At March 31, 2020, the Company had 432,005,271 issued and outstanding common shares and 52,582,495 outstanding share purchase warrants (418,605,271 issued and outstanding common shares and 45,882,495 outstanding share purchase warrants at December 31, 2019).

### *Issuance of securities*

On March 27, 2020, the Company completed a non-brokered private placement and issued 13,400,000 units ("Units") at a price of \$0.13 per Unit for total proceeds of \$1,742,000. Each Unit consists of one common share and one half of one common share purchase warrant. Each whole warrant may be exercised for one common share at a price of \$0.20 per common share for a period of 36 months. The fair value of the common shares was calculated by using the TSXV share price on the date of the issuance and the fair value of the warrants was estimated at \$0.02 per warrant by applying the Black-Scholes option pricing model, using an expected time-period of 3 years, a weighted average risk-free interest of 0.50%, a weighted average volatility rate of 73% and a 0% dividend factor. An amount of \$123,405 was allocated to the share purchase warrants and presented as part of contributed surplus. Share issue expenses related to this private placement amounted to \$47,595.

### *Share purchase warrants*

The following table reflects the number of issued and outstanding share purchase warrants at March 31, 2020:

<b>Grant date</b>	<b>Number of warrants December 31, 2019</b>	<b>Granted</b>	<b>Number of warrants March 31, 2020</b>	<b>Price per share</b>	<b>Expiry date</b>
		\$		\$	\$
September 8, 2017 (i)	39,003,595	-	39,003,595	0.20	Sept 8, 2020
September 19, 2017 (i)	3,078,900	-	3,078,900	0.20	Sept 18, 2020
October 30, 2017	2,800,000	-	2,800,000	0.20	Oct 30, 2020
March 12, 2019	1,000,000	-	1,000,000	0.20	Mar 12, 2021
March 27, 2020	-	6,700,000	6,700,000	0.20	Mar 27, 2023
	45,882,495	6,700,000	52,582,495	0.20	

- (i) Each warrant is exercisable for one common share of the Company, subject to the Company's right to accelerate the expiry date in the event that the Company's shares trade at a price of \$0.40 or greater for 20 consecutive trading days.

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

## 10. SHARE-BASED PAYMENTS

### Stock options

The following table sets out the activity in stock options:

	Three months ended March 31, 2020	
	Number	Weighted average exercise price (C\$)
Options, beginning of period	23,885,000	0.16
Expired	(20,000)	(0.27)
Options, end of period	23,865,000	0.16

The following table reflects the stock options issued and outstanding at March 31, 2020:

Issue date	Number of stock options	Exercise price \$	Remaining contractual life (years)	Number of exercisable options	Exercise price of exercisable options \$
February 9, 2017	7,945,000	0.07	1.9	7,945,000	0.07
February 14, 2017	700,000	0.10	1.9	700,000	0.10
December 4, 2017	500,000	0.16	2.7	500,000	0.16
January 4, 2018	5,500,000	0.16	2.8	5,500,000	0.16
January 22, 2018	600,000	0.16	2.8	600,000	0.16
May 15, 2018	500,000	0.14	3.1	333,333	0.14
November 14, 2018	300,000	0.19	3.6	200,000	0.19
March 21, 2019	200,000	0.17	4.0	133,333	0.17
August 19, 2019	7,620,000	0.27	4.4	2,540,000	0.27
	23,865,000	0.16	2.6	18,451,666	0.13

During the three months ended March 31, 2020, the Company recorded share-based compensation costs related to stock options in the amount of \$196,113 (\$72,418 during the three months ended March 31, 2019).

### Restricted share units ("RSUs")

At March 31, 2020 and December 31, 2019, the Company had granted 2,748,816 restricted share units which remained unexercised. During the three months ended March 31, 2020, the Company recorded share-based compensation costs related to RSUs in the amount of \$90,623 (\$48,330 during the three months ended March 31, 2019).

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

## 11. COMMITMENTS AND CONTINGENCIES

The following table summarizes the contractual commitments of the Company to maintain in good standing the agreements under which the Company has an option to acquire mineral properties in French Guiana and Guyana, at March 31, 2020. Except as noted below, all agreements can be terminated by the Company at any time without further financial obligations.

	Date of option agreement	Term	Option to acquire	Annual option payments			
				2020	2021	2022	2023
		Years	%	US \$			
Dorlin, French Guiana (a)	Feb 2017	5 (b)	75 (c)	-	-	-	-
Boulanger, French Guiana (a)	July 2017	4	100	-	-	-	-
Haute Mana, French Guiana	Dec 2016	Up to 5	80	-	-	-	-
Aremu North, Guyana (d)	Dec 2017	4	100	425,000	75,000	25,000	-
Waiamu, Guyana (a)	Apr 2018	Up to 5	100	260,000	260,000	260,000	60,000
Arawini, Guyana (Note 6 (ii))	Mar 2018	4	100	50,000	200,000	350,000	500,000
Oko West, Guyana	Aug 2018	5	100	18,000	22,500	27,000	27,000
Kartuni, Guyana	Aug 2018	5	100	59,000	73,750	88,500	88,500

- (a) The minimum spending requirement condition was met in 2019.
- (b) From the renewal date of the Dorlin project mining permit ("PEX"); the approval of the renewal is still pending; the Dorlin PEX continues to be valid until the renewal application has been processed by the French authorities.
- (c) Once the option is exercised, the optionor can maintain a 25% participating interest ("PI") or can elect to receive a 5% net profit interest ("NPI"); if the optionor chooses a 25% PI, the Company will have the option to acquire an additional 5% PI from the optionor for a consideration based on the net present value as established in the feasibility study.
- (d) Represents 100% of the contractual commitments, subject to terms of the Alliance with Barrick.

The Company is in discussions with all titleholders of the properties in Guyana to defer by 12 months payments due in 2020 and subsequent years.

### Contingent considerations

**Boulanger Project:** a payment of EUR1,000,000 upon decision to exercise the option plus a payment of EUR1,000,000 following approval of the transfer to the Company of the concessions and exploration permit by the French regulatory authorities and a 2% NSR royalty to be paid to the optionor;

**Projects in Guyana:** up to US\$6.00 per ounce of gold to be produced from the projects; certain advance annual payments will be paid upon exercise of the option and completion of a feasibility study for the project.

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

## 12. EXPLORATION EXPENSES

The Company incurred the following exploration expenses:

	Three months ended March 31,	
	2020	2019
	\$	\$
Wages and fees	621,935	894,831
Drilling and assaying	76,212	223,182
Studies and geophysics	133,567	340,028
Camp costs	143,422	205,575
Field supplies	15,298	31,733
Transportation and travel	72,795	260,580
Property lease payments	65,141	2,048
Others	133,198	41,666
	<b>1,261,568</b>	<b>1,999,643</b>

## 13. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Three months ended March 31,	
	2020	2019
	\$	\$
Wages and fees	293,708	403,326
Professional fees	18,918	(3,673)
Office and others	26,364	82,468
Investor relations and travel	16,411	18,050
Reporting issuer costs	11,234	45,990
	<b>366,635</b>	<b>546,161</b>

# Reunion Gold Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020 (unaudited - in Canadian dollars)

## 14. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties in the Guyana Shield, South America. Assets are located as follows:

	March 31, 2020			
	Canada	French Guiana	Guyana	Total
	\$	\$	\$	\$
Current assets	3,471,882	156,227	224,107	3,852,216
Property and equipment	54,730	194,744	771,670	1,021,144
Exploration and evaluation assets	-	1,776,576	1,373,727	3,150,303
Total assets	3,526,612	2,127,547	2,369,504	8,023,663

  

	December 31, 2019			
	Canada	French Guiana	Guyana	Total
	\$	\$	\$	\$
Current assets	3,239,133	148,736	422,156	3,810,025
Property and equipment	102,461	217,022	804,302	1,123,785
Exploration and evaluation assets	-	1,662,462	1,192,688	2,855,150
Total assets	3,341,594	2,028,220	2,419,146	7,788,960



## MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2020

The following interim management's discussion and analysis – quarterly highlights ("**Interim MD&A**") of Reunion Gold Corporation ("**Reunion Gold**" or the "**Company**") for the three months ended March 31, 2020 provides material information about the Company's business activities during the interim period and updates disclosure previously provided in the Company's management's discussion and analysis for the financial year ended December 31, 2019 ("**Annual MD&A**").

This Interim MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2020 (the "**Interim Financial Statements**"), the Company's audited consolidated financial statements for the nine months ended December 31, 2019 and the year ended March 31, 2019 (the "**Annual Financial Statements**"), and the Company's Annual MD&A, including the section describing risks and uncertainties.

During the nine-month financial year ended December 31, 2019, the Company changed its financial year-end to December 31, from March 31. The Company's transition year was the nine months ended December 31, 2019, and the comparative period for this MD&A is the three months ended March 31, 2019. The three months ended March 31, 2020 is the first quarter of the Company's 2020 financial year.

The effective date of this Interim MD&A is May 28, 2020.

All financial results presented in this Interim MD&A are expressed in Canadian dollars unless otherwise indicated.

### ***Description of Business***

Reunion Gold is a Canadian-based company focused on the acquisition, exploration and development of mineral projects located in the Guiana Shield region of South America. The Company has entered into option agreements entitling it to acquire an interest in various gold exploration projects located in French Guiana and Guyana. The main projects in French Guiana are Boulanger and Dorlin. The projects in Guyana include Aremu North, Waiamu and other early stage exploration projects. The Aremu North project is part of a Strategic Alliance (the "**Alliance**") with Barrick Gold Corporation ("**Barrick**").

Reunion Gold's common shares trade on the TSX Venture Exchange ("**TSXV**") under the symbol RGD. As at May 28, 2020, the Company has 432.0 million issued and outstanding common shares.



### ***Highlights of the Quarter***

As at March 31, 2020, the Company had a working capital of \$909,031, including cash of \$3,344,675.

As part of the Alliance with Barrick, an amount of cash of \$1,009,023 remains restricted as at March 31, 2020 to be spent by the end of 2020 on the projects that are part of the Alliance.

On March 27, 2020, the Company completed a non-brokered private placement of 13,400,000 units at a price of \$0.13 per unit, for total proceeds of \$1,742,000; each unit was comprised of one common share of the Company and one-half of one common share purchase warrant; each whole common share purchase warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 during a period of 36 months.

Extensive outcrop sampling, mapping and geological interpretive analysis were conducted in early 2020 at the Crique Filon prospect and surrounding areas (part of the **Boulanger project** in French Guiana), as a follow-up to the high-grade gold intersections reported in 2019. Subject to completion of a financing, the Company intends to further test the lateral and down-dip extension and continuity of gold mineralization in shear-hosted veins at the Crique Filon prospect by completing approximately 5,000 meters of drilling over two phases of drilling.

At the **Aremu North project** in Guyana, soil geochemistry of anomalous areas previously defined by stream sample geochemistry and trenching testing (two trenches completed) was initiated in early 2020 before all field activities were suspended due to the COVID-19 pandemic. The Company plans to resume work as soon as travel restrictions to and from Guyana are lifted and that is it safe for our employees to return to work.

At the end of January 2020, following a review of the work done at the Waiamu, Oko West, Kartuni and Arawini projects throughout 2019, Barrick elected to exclude these projects from the Alliance. Barrick's 50% beneficial interest in those projects reverted to the Company. The Company believes that the Waiamu, Oko West, Kartuni and Arawini projects retain geological merit to host smaller-sized gold deposits and wishes to conduct further exploration work on these projects. At **Oko West**, the Company has identified a 2 km zone of anomalous gold in soil through a regolith sampling program conducted in early 2020. Subject to financing, this will be followed-up by trenching and drilling later in 2020.

During the reporting period, the Company completed the studies required for the submission to the French authorities of a mining concession application for the **Dorlin project**, expected to be filed in the coming weeks.

The Company is currently reviewing and assessing the potential acquisition of new projects located in Guyana and Suriname.

### *Qualified Person*

Carlos H. Bertoni, P. Geo., a consultant to Reunion Gold and a qualified person pursuant to NI 43-101, has reviewed and approved the scientific and technical data contained in this Interim MD&A.

### ***Financial Condition and Outlook***

Given the COVID-19 pandemic outbreak and to preserve cash, the Company has suspended all field activities in March 2020 and has taken initiatives to reduce expenditures. Board members, senior executives, and certain senior employees have agreed to reduce their compensation by up to 50% effective January 1, 2020 and directors have agreed to defer the payment of their compensation until a new financing is completed. Also, on May 12, 2020, the titleholder of the Arawini project agreed to a 12-month deferral of the option payment of US\$150,000 which was to be made by the Company in March 2020 and amounts owing in subsequent years. The Company is in discussion with other titleholders in Guyana to defer amounts owed later in 2020.

The Company requires additional funds to settle all of its liabilities, to meet existing commitments, to provide for management and administration expenses for at least the next 12 months and to carry-out its planned exploration activities. Given the current COVID-19 pandemic and disruptions in financial markets and the world economy, there can be no assurance that the Company will be able to raise the additional funds required. If the Company is not successful in raising additional funds, it may be required to delay, reduce the scope of, or eliminate its exploration activities, and / or relinquish some or all of its assets, any of which could have a negative impact on the business, financial condition and results of operation of the Company. The Company's financial condition as at March 31, 2020 creates uncertainty regarding the Company's ability to continue as a going concern.

The extent to which the COVID-19 pandemic impacts the Company's business will depend on future developments which are highly uncertain and cannot be predicted at this time. In addition to the potentially adverse impact on the Company's ability to raise the funds required to continue its activities, the continued spread of the COVID-19 globally could also have an impact on employees health, limitations on travel, the availability of personnel, the execution of planned exploration programs and other impacts beyond the Company's control, all of which may have a material and adverse effect on the Company's business, financial condition and results of operations.

## Financial Review

During the three months ended March 31, 2020, the Company incurred a loss of \$2,134,652 (\$0.01 per share) compared to \$2,607,889 (\$0.01 per share) during the three months ended March 31, 2019.

The Company's share in exploration expenses during the reporting period amounted to \$1,261,568 (\$1,999,643 during the comparative period in 2019). During the three months ended March 31, 2020, Barrick has also spent an amount of \$468,400 in exploration expenses on the projects that are part of the Alliance, mostly at the Aremu North project. As of March 31, 2020, Barrick has spent all of its initial contribution required under the Alliance for a total amount of US\$3.9 million. As a result, all expenditures on projects included in the Alliance are now shared on a 50-50 basis between Barrick and the Company.

The detail of exploration and evaluation expenses by project is as follows:

					3 months ended	3 months ended
					March 31,	March 31,
					2020	2019
	Dorlin	Boulanger	Aremu North	Other projects	Total	Total
	\$	\$	\$	\$	\$	\$
Wages and fees	233,116	141,270	335,742	116,243	826,371	1,359,377
Drilling and assaying	-	10,368	67,977	64,026	142,371	507,401
Studies	147,461	-	853	(14,201)	134,113	423,904
Camp costs	51,479	33,841	100,815	27,368	213,503	395,794
Field supplies	214	2,390	22,034	3,394	28,032	31,735
Transportation and travel	29,416	-	36,105	54,364	119,885	382,987
Property lease payments	-	-	2,950	73,114	76,064	56,263
Others	44,915	44,538	77,339	22,837	189,629	121,181
	506,601	232,407	643,815	347,145	1,729,968	3,278,642
Barrick's share of expenses	-	-	(347,245)	(121,155)	(468,400)	(1,278,999)
	506,601	232,407	296,570	225,990	1,261,568	1,999,643

Management and administration expenses totaled \$366,635 during the reporting period compared to \$546,161 in 2019. Wages and fees to consultants of \$293,708 (\$403,326 in 2018) reflect the reduction in wages and fees of the Company's directors and senior officers effective January 1, 2020 by up to 50%. Professional fees of \$18,918 (a credit of \$3,673 in 2019) consist mostly of audit and legal fees. Lower office expenses of \$26,364 during the current period (\$82,468 in 2019) reflect lower rent expenses which are now capitalized in accordance with IFRS 16, *Leases*. The Company also incurred investor relations and travel expenses of \$16,411 (\$18,050 in 2019) and reporting issuer costs of \$11,234 (\$45,990 in 2019).

The Company incurred an amount of \$286,736 as stock-based compensation during the three months ended March 31, 2020 (\$120,748 in 2019). The increased expense relates mostly to the grant in August 2019 of

7,640,000 stock options and 1,476,316 RSUs to directors, officers, employees and consultants. Depreciation and amortization expense related to property and equipment acquired for its projects in Guyana and French Guiana and to right-of-use-assets capitalized in accordance with IFRS 16 totaled \$184,329 during the three months ended March 31, 2020 (\$103,499 in 2019).

The Company recorded finance expense of \$6,292 during the three months ended March 31, 2020 (nil in 2019) consisting of the accretion expense on the non-interest bearing note payable related to the purchase of mobile equipment in Guyana in May 2018 and on the lease liabilities related to the right-of-use assets in accordance with IFRS 16. The Company also realized finance income of \$5,820 on liquidities held (\$17,532 in 2019) and recorded an unrealized loss on foreign exchange of \$34,912 during the reporting period on items held in foreign currency (an unrealized gain on foreign exchange of \$183,995 in 2019).

#### *Investing Activities*

During the three months ended March 31, 2020, the Company did not acquire any property and equipment (\$60,370 in 2019, consisting mostly of service vehicles).

The Company accrued an amount of \$65,435 in option payments during the three months ended March 31, 2020 related to certain blocks included within the Arawini project in Guyana (\$66,086 in 2019).

#### *Financing Activities*

On March 27, 2020, the Company completed a private placement and issued a total of 13,400,000 Units at a price of \$0.13 per Unit for total proceeds of \$1,742,000 and incurred related share issue expenses of \$47,595. During the comparative period, the Company had completed a private placement and had issued 87,290,000 shares at a price of \$0.15 per share or total proceeds of \$13,093,500 and incurred related share issue expenses of \$700,861.

The Company made total payments of \$97,969 during the three months ended March 31, 2020 on the May 2018 non-interest-bearing note payable (\$96,598 in 2019).

The repayment of lease liabilities in accordance with IFRS 16 totaled \$58,099 during the three months ended March 31, 2020 (nil in 2019).

#### *Liquidities and Capital Resources*

At March 31, 2020, the Company had a working capital of \$909,031 compared to a working capital of \$1,076,085 at December 31, 2019. The decrease in the working capital during the three months ended March 31, 2020 is mainly attributable to exploration expenses of \$1,261,568, management and administration

expenses of \$366,635, the reimbursement of amounts due under the note payable of \$97,969, the repayment of lease liabilities of \$58,099, partially offset by net proceeds of \$1,703,405 from the private placement.

As more fully described in the *Financial Condition and Outlook* section, the Company requires additional funds to settle all of its liabilities, to meet all existing commitments, to provide for management and administration expenses for at least the next 12 months and to carry out its planned exploration program.

### ***Outstanding Share Data***

As at May 28, 2020, a total of 432,010,271 common shares are issued and outstanding, 52,582,495 share purchase warrants are exercisable at a price of \$0.20 per share at various dates until March 2023, 23,865,000 stock options are outstanding with exercise prices ranging between \$0.07 and \$0.27 and expiring until August 2024 and 2,743,816 RSUs are outstanding with vesting until August 2021.

### ***Related Party Transactions***

During the three months ended March 31, 2020, the Company provided administrative services to other TSXV-listed companies, related by virtue of common management, including Highland Copper Company Inc. (“Highland”) and Odyssey Resources Limited. The services are provided at cost for all direct expenses plus a fixed monthly charge to cover overhead expenses. Amounts recovered for administrative services during the three months ended March 31, 2020 totaled \$31,929 (\$35,526 in 2019). During the three months ended March 31, 2020, the Company paid an amount of nil to Highland for administrative and legal services (\$49,675 in 2019).

The remuneration awarded to directors and to senior key management, including the executive chairman, the president and chief executive officer and the chief financial officer totalled \$345,467 during the three months ended March 31, 2020, including \$195,437 in share-based compensation (total remuneration of \$346,725 in 2019, including \$86,170 in share-based compensation).

### ***Risk Factors***

The activities of the Company are highly speculative due to the nature of mineral exploration generally and the Company’s present stage of development. Risks and uncertainties that the Company is subject to include, but are not limited to: risks and uncertainties related to the effects of the COVID-19 pandemic, the Company’s ability to continue raising sufficient funds to fund its share of future costs and expenditures in the Alliance with Barrick, to fund option payments and exploration expenditures on projects that are not part of the Alliance, and to fund general and administrative costs in a timely manner and on acceptable terms; risks related to the completion and results of exploration programs planned to be conducted; risks related to the non-renewal of mineral rights under option agreements, risks of mineral rights being subject to prior unregistered agreements,

transfers, non-compliance with regulatory requirements or claims and other defects in title; uncertainties related to obtaining permits required to conduct exploration activities; uncertainties related to the Company's ability to meet the terms and conditions to exercise option agreements and risks related to the Company's ability to obtain regulatory approvals required to acquire the mineral rights in the projects described in this Interim MD&A; and uncertainties related to environment and social acceptability.

Renewal of mineral rights in French Guiana is a very detailed and long process. Under French mining law, the period of validity of mineral rights is extended until the French government makes a decision on the renewal application. The concessions with respect to the Boulanger and Haute Mana projects expired on December 31, 2018. Renewal applications have been filed in December 2016 and are still pending. The Dorlin exploitation permit expired on July 30, 2015. A renewal application was filed in 2015 and is still pending. Given that the Dorlin permit, if renewed, will expire later in 2020, the Company and SMYD are preparing an application to obtain a concession over the area. There is no guarantee that the concession and permit will be renewed.

Resource exploration and development is highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Refer to the risk factors described in the Annual MD&A for additional information.

### ***Forward-Looking Statements***

This news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to expectations, beliefs, plans, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", "anticipates", "plans", "estimates", "proposes", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this MD&A, forward-looking statements relate to the potential of the Company's projects, expected work programs, exploration results, renewal of permits and concessions, and the Company's ability to raise additional funds and to acquire new projects in Guyana and Suriname.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this

news release. Except as required by law, the Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

**Additional Information and Continuous Disclosure**

Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.reuniongold.com](http://www.reuniongold.com)).