CONSOLIDATED FINANCIAL STATEMENTS

For the years ended March 31, 2018 and 2017

In Canadian dollars

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Shareholders of
Reunion Gold Corporation

We have audited the accompanying consolidated financial statements of Reunion Gold Corporation, which comprise the consolidated statements of financial position as at March 31, 2018 and 2017 and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Reunion Gold Corporation as at March 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Raymond Chabot Grant Thornton LLP[1]

Montréal
June 27, 2018

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[1] CPA auditor, CA public accountancy permit no. A127023

Reunion Gold Corporation
Consolidated Statements of Financial Position

(audited, in Canadian dollars)	**March 31, 2018**	March 31, 2017
	$	$
ASSETS		
Current		
Cash	**16,444,794**	4,992,291
Receivable from related parties (Note 17)	**102,538**	74,310
Sales taxes receivable	**60,731**	28,842
Other receivables (Note 4)	**159,131**	346,009
Prepaid expenses and deposits	**133,203**	6,813
	16,900,397	5,448,265
Non-current		
Property and equipment (Note 3)	**457,780**	-
Exploration and evaluation assets (Note 4)	**1,515,970**	-
TOTAL ASSETS	**18,874,147**	5,448,265
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**731,711**	493,256
Income taxes payable (Note 6)	**370,200**	381,828
	1,101,911	875,084
Non-current		
Loans from related parties (Note 5)	**-**	1,150,289
TOTAL LIABILITIES	**1,101,911**	2,025,373
EQUITY		
Share capital (Note 7)	**119,687,485**	102,190,531
Equity component of convertible loans	**-**	17,935
Contributed surplus	**18,071,912**	14,602,442
Deficit	**(118,877,634)**	(113,282,060)
Cumulative translation adjustment	**(1,109,527)**	(105,956)
TOTAL EQUITY	**17,772,236**	3,422,892
TOTAL LIABILITIES AND EQUITY	**18,874,147**	5,448,265

Going concern (Note 1); Commitments (Notes 4 and 12); Event after the reporting period (Note 18).

The accompanying notes are an integral part of these 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 Income (Loss)

(audited, in Canadian dollars)	Year ended March 31, **2018**	2017
	$	$
Expenses and other items		
Exploration and evaluation (Note 9)	**3,022,067**	**142,242**
Management and administration (Note 10)	**2,205,802**	**1,514,879**
Share-based compensation	**641,975**	**191,357**
Depreciation and amortization	**15,507**	**17,542**
Bad debt (Note 4)	**43,321**	**-**
Gain on sale of exploration and evaluation assets (Note 4)	**-**	**(6,969,106)**
Recovery of expenses (Note 4)	**-**	**(260,450)**
Finance expense on loans from related parties	**34,639**	**115,540**
Finance income	**(123,379)**	**(5,981)**
Gain on foreign exchange	**(990,384)**	**(81,793)**
Net income (loss) before income taxes	**(4,849,548)**	**5,335,770**
Income taxes - current (Note 6)	**-**	**(376,861)**
Net income (loss) for the year	**(4,849,548)**	**4,958,909**
Other comprehensive loss		
Item that will be subsequently reclassified to income		
Foreign currency translation adjustment	**(1,003,571)**	**(166,017)**
Comprehensive income (loss) for the year	**(5,853,119)**	**4,792,892**
Basic and diluted earnings (loss) per common share (Note 11)	**(0.02)**	**0.03**
Weighted average number of common shares - basic and diluted	**249,611,050**	**180,747,910**

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

Reunion Gold Corporation
Consolidated Statements of Changes in Equity

(audited, in Canadian dollars)	**Number of issued and outstanding common shares**	**Share capital**	**Equity component of convertible loans**	**Contributed surplus**	**Deficit**	**Cumulative translation adjustment**	**Total equity (deficit)**
		$	**$**	**$**	**$**	**$**	**$**
Balance at March 31, 2017	187,451,596	102,190,531	17,935	14,602,442	(113,282,060)	(105,956)	3,422,892
Private placements (Note 7)	**132,464,991**	**17,496,954**	**-**	**2,603,495**	**-**	**-**	**20,100,449**
Share issue expenses and broker warrants (Note 7)	**-**	**-**	**-**	**224,000**	**(746,026)**	**-**	**(522,026)**
Reimbursement of loans from a related party (Note 5)	**-**	**-**	**(17,935)**	**-**	**-**	**-**	**(17,935)**
Share-based compensation	**-**	**-**	**-**	**641,975**	**-**	**-**	**641,975**
Net loss for the year	**-**	**-**	**-**	**-**	**(4,849,548)**	**-**	**(4,849,548)**
Other comprehensive loss							
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**-**	**(1,003,571)**	**(1,003,571)**
Balance at March 31, 2018	**319,916,587**	**119,687,485**	**-**	**18,071,912**	**(118,877,634)**	**(1,109,527)**	**17,772,236**
Balance at March 31, 2016	180,317,936	101,477,165	17,935	14,411,085	(118,234,484)	60,061	(2,268,238)
Private placement (Note 7)	7,133,660	713,366	-	-	-	-	713,366
Share issue expenses (Note 7)	-	-	-	-	(6,485)	-	(6,485)
Share-based compensation	-	-	-	191,357	-	-	191,357
Net income for the year	-	-	-	-	4,958,909		4,958,909
Other comprehensive loss							
Foreign currency translation adjustment	-	-	-	-	-	(166,017)	(166,017)
Balance at March 31, 2017	187,451,596	102,190,531	17,935	14,602,442	(113,282,060)	(105,956)	3,422,892

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

Reunion Gold Corporation
Consolidated Statements of Cash Flows

	Years ended March 31,	
(audited, in Canadian dollars)	**2018**	2017
	$	$
OPERATING ACTIVITIES		
Net income (loss) for the year	**(4,849,548)**	**4,958,909**
Adjustments		
Share-based compensation	**641,975**	**191,357**
Depreciation and amortization	**15,507**	**17,542**
Bad debt	**43,321**	**-**
Finance expense on loans from related parties	**34,639**	**115,540**
Gain on sale of exploration and evaluation assets	**-**	**(6,969,106)**
Gain on foreign exchange	**(990,384)**	**(81,793)**
Changes in working capital items		
Receivable from related parties	**(28,228)**	**(73,449)**
Sales taxes receivable	**(31,889)**	**(28,842)**
Other receivables	**132,260**	**(54,760)**
Prepaid expenses and deposits	**(124,012)**	**(2,181)**
Accounts payable and accrued liabilities	**216,029**	**(941,565)**
Income taxes payable	**-**	**381,828**
	(4,940,330)	**(2,486,520)**
INVESTING ACTIVITIES		
Acquisition of property and equipment (Note 3)	**(462,161)**	-
Additions to exploration and evaluation assets (Note 4)	**(1,445,424)**	-
Performance bond (Note 4)	**-**	**155,579**
Proceeds on sale of exploration and evaluation assets (Note 4)	**-**	**7,218,948**
	(1,907,585)	**7,374,527**
FINANCING ACTIVITIES		
Reimbursement of loans and finance expense from related parties (Note 5)	**(452,863)**	**(593,050)**
Issue of share capital (Note 7)	**19,350,449**	**713,366**
Share issue expenses (Note 7)	**(522,026)**	**(6,485)**
	18,375,560	**113,831**
Effect of exchange rate changes on cash held in foreign currency	**(75,142)**	**(84,935)**
Net change in cash	**11,452,503**	**4,916,903**
Cash, beginning of year	**4,992,291**	**75,388**
Cash, end of year	**16,444,794**	**4,992,291**
Supplemental cash flow information		
Finance income received, included in operating activities	**123,379**	**2,989**
Other receivables related to sale of exploration and evaluation assets	**-**	**62,663**
Liabilities related to exploration and evaluation assets	**-**	**(236,051)**
Cash on reimbursement of loans from related parties used to subscribe to share capital (Note 7)	**750,000**	**-**
Fair value of warrants granted	**2,827,495**	**-**

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

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 mineral properties in the Guiana Shield region in South America. To date, the Company has not earned significant revenue.

Since December 2016, the Company has entered into agreements entitling it to acquire interests in six (6) gold projects, namely the Dorlin, Boulanger and Haute Mana in French Guiana and the Waiamu, Arawini and Aremu projects in Guyana, all subject to terms and conditions described in Note 4.

All financial results in these consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. The address of the Company's registered office is 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3. Reunion Gold's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol RGD.

The Board of Directors approved and authorized for issuance these consolidated financial statements on June 27, 2018.

Going concern

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

At March 31, 2018, the Company had a working capital of $15,798,486. Management of the Company believes that it has sufficient working capital to pay for its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for at least the next 12 months. As described in Note 4, the Company has recently entered into option agreements to acquire an interest in three gold projects located in French Guiana and three gold projects located in Guyana. These agreements will require that certain expenditures be incurred. The Company will need to raise funds in the future through the issuance of equity instruments or other arrangement to meet future work requirements. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that sources of funding or initiatives will be available to the Company or that they will be available when such funds are required.

2. SUMMARY OF ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis. The Company has elected to present the statement of income and comprehensive income in a single statement.

c) Basis of consolidation

These consolidated financial statements include the accounts of Reunion Gold and its wholly-owned subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Reunion Gold and its subsidiaries have an annual reporting date of March 31. Details of the Company's subsidiaries are as follows:

- Ressources Reunion SAS, incorporated in November 2017 in French Guiana;
- Reunion Manganese Inc., Guyana;
- Northwest Utilities Inc., Guyana (inactive);
- New Sleeper Gold (USA) Ltd., USA (inactive).

d) Foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of Reunion Gold. The functional currency of Ressources Reunion SAS is the Euro and the functional currency of Reunion Manganese Inc. is the US dollar. The functional currencies of Reunion Gold and Reunion Manganese Inc. have remained unchanged during the reporting years. Monetary assets and liabilities denominated in a foreign currency other than the functional currency of each entity are translated at the exchange rate in effect at the reporting date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Revenues and expenses denominated in a foreign currency are translated at the average rate in effect during the year with the exception of depreciation that is translated at the historical rate. Gains and losses on exchange arising from the translation of foreign operations are recorded in profit or loss. On consolidation, assets and liabilities of Reunion Gold's subsidiaries are translated into Canadian dollars at the closing rate in effect at the reporting date. Income and expenses are translated into Canadian dollars at the average rate over the reporting years. Exchange differences are presented as other comprehensive income and recognized in the cumulative translation adjustment reserve in equity.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e) Financial assets and liabilities

Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provision of a financial instrument. Financial assets held by the Company consist of cash, receivable from related parties and other receivables which are classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Income relating to financial assets that are recognized in profit or loss are presented as finance income.

All financial assets are assessed for indicators of impairment at the end of each reporting year. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. The carrying amount of financial assets is reduced by any impairment loss. If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is reversed through profit or loss.

Financial liabilities

The Company's financial liabilities consist of accounts payable and accrued liabilities and loans from related parties. They are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are de-recognized when the obligations are extinguished, discharged, cancelled or expired. Interest-related charges are reported in comprehensive income within finance expense on loans from related parties.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

f) Property and equipment

Property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, the finance expense attributable to the acquisition of the asset, and all other costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Where parts of an item of property and equipment have a different useful life, they are accounted for as separate items of property and equipment. Depreciation is recognized on a straight-line basis using the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life. Each asset's residual value, useful life and depreciation method are reassessed, and adjusted if appropriate, at the reporting date. Mobile equipment is depreciated over up to 5 years, service vehicles and other mining equipment are depreciated over 3 years, furniture is depreciated over 3 years, computer equipment is depreciated over 2 years and leasehold improvements are depreciated over the lease period. The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition is included in profit or loss when the item is derecognized.

g) Exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities has been obtained are recognized in profit or loss as incurred. The cost of acquiring licenses and other expenditures associated with the acquisition of exploration and evaluation assets (including option payments) are capitalized on a property-by-property basis and are carried at cost less accumulated impairment losses, if any. No amortization expense is recognized on these assets during the exploration and evaluation period. Other exploration and evaluation expenditures are expensed as incurred. Once a project has been established as commercially viable and technically feasible, the related accumulated capitalized costs are reclassified as tangible assets and subsequent development expenditures are capitalized. An impairment test is performed before reclassification and any impairment loss is then recognized in profit or loss. Whenever a mining property is no longer viable or is abandoned, the capitalized amounts are written-down to their net recoverable amounts with the related charge recognized in profit or loss.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

h) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Long lived assets that are not amortized are subject to an annual impairment assessment or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. Value in use takes into account estimated future cash flows associated with the asset, such value being discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In the case of exploration and evaluation assets, impairment reviews are carried out on a property-by-property basis, with each property representing a potential cash-generating unit. A previous impairment is reversed if the asset's recoverable amount exceeds its carrying amount.

i) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the related asset, as soon as the obligation to incur such costs arises and to the extent that such cost can be reasonably estimated. The Company had no material provisions at March 31, 2018 and March 31, 2017.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

j) Income taxes

When applicable, income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination which affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the underlying tax losses on deductible temporary differences can be utilized. Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right and intention to set-off current tax assets and liabilities from the same taxation authority.

k) Convertible notes

The convertible notes were determined to be compound instruments. As the convertible notes are convertible into common shares, the liability and equity components are presented separately. Using the residual method, the carrying amount of the conversion feature at inception is the difference between the principal amount and the carrying value of the financial liability.

l) Equity

Share capital represents the amount received on the issue of shares. Contributed surplus includes charges related to stock options and warrants until such equity instruments are exercised. Deficit includes all current and prior year losses and share issuance costs. Cumulative translation adjustment includes the impact of converting the accounts of the Company's foreign operations into Canadian dollars. All transactions with owners of the parent company are recorded separately within equity.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

m) Allocation of proceeds on equity financing

The Company allocates the proceeds from an equity financing between common shares and share purchase warrants based on the relative fair values of each instrument. The fair value of the common shares is calculated by using the TSXV share price on the date of the issuance and is accounted for in share capital and the fair value of the share purchase warrants is determined using the Black-Scholes valuation model or a binomial regression method, as appropriate, and is accounted for in contributed surplus.

n) Share-based payment transactions

Equity-settled share-based payments are made in exchange for services received and are measured at their fair value. The fair value of the services rendered is determined indirectly by reference to the fair value of the equity instruments granted when the fair value of services received cannot be reliably estimated. The fair value of share-based payments to directors, officers, employees and consultants is recognized as an expense over the vesting period with a corresponding increase to contributed surplus. Financing warrants and warrants to brokers, in respect of an equity financing, are recognized as a share issue expense with a corresponding increase to contributed surplus. The fair value of stock options granted is measured at the grant date and recognized over the period during which the options vest using the Black-Scholes option pricing model and taking into account an estimated forfeiture rate and the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. Upon the exercise of share-based payments, the proceeds received, net of any direct expenses, as well as the related compensation expense previously recorded as contributed surplus are credited to share capital.

o) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. Dilutive potential common shares are deemed to have been converted into common shares at the beginning of the period or, if later, at the date of issue of the potential common shares. For the purpose of calculating diluted earnings (loss) per share, the Company assumes the exercise of its dilutive options and convertible notes. The assumed proceeds from these instruments are regarded as having been received from the issue of common shares at the average market price of its shares during the period.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

p) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, judgments and assumptions are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates, judgments and assumptions are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

Recoverability of other receivables

The Company uses judgement to estimate the amount that it believes it will recover from its other receivables, based on known factors and assumptions. However, there is no certainty that the amount estimated to be recoverable will actually be recovered.

Title to mineral properties

Although the Company has taken steps to verify title to mineral properties in which it has an option to earn an interest, these procedures are subject to certain assumptions and do not guarantee such title ownership. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Property and equipment

Management reviews annually the carrying amounts of its property and equipment to determine whether any impairment loss has occurred and its estimate of the useful life of property and equipment, and accounts for any changes in estimates prospectively.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

p) Significant accounting judgments and estimates (continued)

Exploration and evaluation assets

The application of the accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation activities have been conducted, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test in the year the new information becomes available.

Share-based compensation and warrants

Management assesses the fair value of stock options and warrants using the Black-Scholes valuation model or a binomial regression method, as appropriate. The Black-Scholes model and the binomial regression method require management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected stock option life. As well, management must make assumptions about anticipated forfeitures based on the historical actions of stock options plan participants.

The following items reflect judgements made by management of the Company in applying its accounting policies:

Uncertain tax position

The Company's management has determined that the sale of the Matthews Ridge project has resulted in a capital gains tax payable, based on the interpretation of the tax rules in effect in Guyana. The amount of taxes payable has been established based on the Company's best estimate and according to its best judgement. If after assessment, the amount of taxes payable is different than the amount initially recorded, such difference could impact profit or loss in the period in which such determination is made.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

q) Accounting standards issued but not yet applied

Standards, amendments and interpretations issued but not yet effective up to the date of the issuance of these consolidated financial statements that are expected to be relevant to the Company are listed below. Certain other standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 9, Financial Instruments

The IASB released IFRS 9, *Financial Instruments (2014)* ("IFRS 9"), representing the completion of its project to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has three classification categories: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. It also introduces limited changes relating to financial liabilities and aligns hedge accounting more closely with risk management. The new standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The accounting for the instruments held by the Company and the line item in which they are included in the consolidated statements of financial position are not affected by the adoption of IFRS 9, and no measurement adjustments will be required to the Company's financial assets and liabilities.

IFRS 16, Leases

In January 2016, the IASB published *IFRS 16, Leases ("IFRS 16")* which will replace *IAS 17, Leases ("IAS 17")*. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted. IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. Leases become an on-balance-sheet liability that attract interest, together with a new asset. The Company has yet to assess the impact of this new standard on its consolidated financial statements.

March 31, 2018 and 2017 (audited, in Canadian dollars)

3. PROPERTY AND EQUIPMENT

Assets subject to depreciation and amortization are as follows:

	Mobile equipment and service vehicles	Other mining equipment	Computer equipment, leasehold improvements and furniture	Total
	$	$	$	$
Cost				
Balance at March 31, 2016	1,225,811	2,959,316	630,542	4,815,669
Disposals	(912,130)	(2,819,045)	(637,994)	(4,369,169)
Write-down	(195,765)	-	-	(195,765)
Net exchange differences	208	20,405	11,774	32,387
Balance at March 31, 2017	118,124	160,676	4,322	283,122
Additions	**111,392**	**279,475**	**71,294**	**462,161**
Write-down	**-**	**-**	**(4,111)**	**(4,111)**
Net exchange differences	**(1,421)**	**2,919**	**1,192**	**2,690**
Balance at March 31, 2018	**228,095**	**443,070**	**72,697**	**743,862**
Accumulated depreciation and amortization				
Balance at March 31, 2016	1,176,547	2,959,316	630,542	4,766,405
Depreciation and amortization	17,542	-	-	17,542
Disposals	(880,643)	(2,819,045)	(637,994)	(4,337,682)
Write-down	(195,765)	-	-	(195,765)
Net exchange differences	443	20,405	11,774	32,622
Balance at March 31, 2017	118,124	160,676	4,322	283,122
Depreciation and amortization	**12,335**	**1,866**	**1,306**	**15,507**
Write-down	**-**	**-**	**(4,111)**	**(4,111)**
Net exchange differences	**(3,396)**	**(4,856)**	**(184)**	**(8,436)**
Balance at March 31, 2018	**127,063**	**157,686**	**1,333**	**286,082**
Carrying amounts				
At March 31, 2017	-	-	-	-
At March 31, 2018	**101,032**	**285,384**	**71,364**	**457,780**

March 31, 2018 and 2017 (audited, in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

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

	Waiamu	Arawini	Aremu	Boulanger	Matthews Ridge	Total
	$	$	$	$	$	$
Cost						
Balance at March 31, 2016	-	-	-	-	446,864	446,864
Disposals	-	-	-	-	(461,826)	(461,826)
Net exchange differences	-	-	-	-	14,962	14,962
Balance at March 31, 2017	-	-	-	-	-	-
Additions	**82,097**	**324,315**	**93,562**	**945,450**	**-**	**1,445,424**
Net exchange differences	**1,156**	**(1,965)**	**1,317**	**70,038**	**-**	**70,546**
Balance at March 31, 2018	**83,253**	**322,350**	**94,879**	**1,015,488**	**-**	**1,515,970**

Waiamu gold project, Guyana

On December 15, 2017, the Company entered into a letter agreement with arm's length local miners setting out the main terms and conditions under which the Company is entitled to conduct exploration activities and acquire all the rights, title and interest in the Waiamu gold project. The Waiamu project covers approximately 35,000 acres of mineral rights located approximately 130 km west of Georgetown, the capital city of Guyana. The agreement was subject to completion of due diligence by the Company, to its satisfaction. Following execution of the letter agreement, the Company paid $82,097 (US$65,000) as an advance payment to be applied to the renewal of the mineral permits covering the project. On April 16, 2018, following completion of its due diligence, the Company and the titleholders of the Waiamu gold project entered into a definitive agreement, the terms of which are described in Note 18.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

Arawini gold project, Guyana

On March 14, 2018, the Company entered into a definitive agreement with an arm's length local miner entitling the Company to conduct exploration activities and acquire all the rights, title and interest in the Arawini gold project. The Arawini project covers 22,008 acres of mineral rights located approximately 210 km northwest of Georgetown, the capital city of Guyana.. Following the closing of the transaction, the Company paid $129,726 (US$100,000) to the titleholders and a finders' fee of $32,432 (US$25,000). In order to maintain its rights under the definitive agreement, the Company will have to pay US$150,000 on each of the first, second, third and fourth anniversary of the execution of the definitive agreement, for total initial consideration of US$700,000. The Company is entitled to exercise its option to acquire the Arawini project during a period of five years, with a possible one-year extension, upon payment of the balance of the initial consideration (if any) and the grant of a 0.1% net smelter return royalty to the titleholders. The Company can terminate the Arawini agreement at any time upon delivery to the titleholders of a 30-day prior written notice.

During the year ended March 31, 2018, the Company paid a total amount of $162,157 (US$125,000) for the acquisition of other early-stage exploration properties located in close proximity to the Arawini project in Guyana.

Aremu gold project, Guyana

On December 11, 2017, the Company entered into a definitive agreement (the "Aremu Agreement") with an arm's length local miner entitling the Company to conduct exploration activities and acquire all the rights, title and interest in the Aremu gold project. The Aremu projects covers 5,164 acres of mineral rights located near Falls Top, in the Cuyuni Mining District of Guyana. The Company paid $93,562 (US$75,000) on closing of the transaction. To maintain its rights to conduct exploration activities and acquire the Aremu project during a period of six years, the Company will have to pay US$75,000 in the first year following the date of the Aremu Agreement and US$150,000, US$400,000, US$50,000 and US$100,000 during the second, third, fourth and fifth year, respectively, for total initial payments of US$775,000. The Company will be entitled to acquire the Aremu project at any time during the term of the agreement upon payment of the balance of the initial payments (if any). In addition, the Company agreed to pay an amount equal to US$5.00 per ounce of gold to be produced from the project as reported in an approved and permitted mine plan. The Aremu project is also subject to a 2% net smelter royalty. The Company is entitled to terminate the Aremu Agreement at any time during the term of the agreement without further financial obligations.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Boulanger gold project, French Guiana

On July 26, 2017, the Company entered into a three-year option agreement to acquire from Compagnie Minière de Boulanger ("CMB"), an arm's length private company, a 100% interest in certain mineral properties located in French Guiana. The CMB properties include the Boulanger, Central Bief, Devez North and Devez South mineral concessions and the Carapa exploration permit (formerly known as Ste Marie). On closing, the Company made an initial payment of $738,633 (EUR500,000). An additional payment of EUR500,000 will be payable on the first anniversary of the initial payment. As a condition to exercise the option, the Company is required to spend at least US$4,000,000 on exploration and development on the properties and pay an additional amount of EUR1,000,000 to CMB. The Company will have to pay a final amount of EUR1,000,000 to CMB following approval of the transfer to the Company of the concessions and exploration permit by the French regulatory authorities. Upon exercise of the option by the Company, CMB will retain a 2% net smelter returns royalty on the properties. The option can be exercised any time between January 1, 2019 and July 25, 2020. The Company can terminate the option agreement at any time upon a 30-day notice to CMB, provided that the first anniversary payment of EUR500,000 has been paid.

In November 2017, the Company entered into an agreement with a privately-held French Guianese company, whereby rights to an occupation permit, which permit provides access rights to a camp located on the Boulanger Project, and various equipment and service vehicles were transferred to the Company for a total amount of $221,590 (EUR150,000). An amount of $14,773 was accounted for as property and equipment and $206,817 was accounted for as exploration and evaluation assets.

Dorlin gold project, French Guiana

In February 2017, the Company entered into an option agreement to acquire a 75% interest in the Dorlin project in French Guiana from Société Minière Yaou-Dorlin ("SMYD"), a subsidiary of Auplata S.A., a French company listed on Alternext. The Dorlin project consists of an 84 km^2 Exploitation Permit for gold, in the central west region of French Guiana. The option is subject to certain conditions precedent including the renewal of the Dorlin project permit and the completion by the Company of technical and legal due diligence on the project for a period of 120 days from the renewal date. The option will be valid for a period of five years from the date all conditions precedent are satisfied. To exercise the option, the Company will have to complete and deliver a feasibility study to SMYD within a period of four years and six months of the beginning of the option period. To maintain the option, the Company is required to spend at least US$3 million in the first three years from the date of the option agreement. Once the option is exercised, SMYD can maintain a 25% participating interest ("PI") or can elect to receive a 5% net profit interest ("NPI"). If SMYD chooses a 25% PI, the Company will have the option to acquire an additional 5% PI from SMYD for a consideration based on the net present value as established in the feasibility study. The Dorlin project is subject to a 1.0% royalty payable to previous owners. SMYD filed an application to renew the Dorlin permit in July 2015 and it is still pending.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Haute Mana gold project, French Guiana

In December 2016, the Company entered into an option agreement with Union Minière de Saül ("UMS"), an arm's length private company, to acquire an 80% interest in eight contiguous mining concessions covering an area of 122.5 km^2 in central French Guiana (referred to as the Haute Mana gold project) by completing a preliminary economic assessment ("PEA") on the project. Upon exercise of the option, the Company will be deemed to have acquired an 80% interest in the concessions. UMS will then have the option to retain its 20% participating interest or convert its interest in a 5% net profit interest or sell its 20% interest to the Company at a price to be agreed to at that time.

On March 26, 2018, the parties entered into an amendment to the option agreement providing that (1) the option will be valid until January 1, 2024 (was previously a 5-year option) and (2) the Company will now oversee and pay for the environmental reclamation work described in a plan approved by the French mining authorities (replacing a loan of up to 250,000 euros to UMS).

Sale of the Matthews Ridge Project

On November 4, 2016, the Company entered into an agreement to sell all of its rights, title and interest in the Matthews Ridge manganese project to Bosai Minerals Group Co., Ltd. ("Bosai"), an arm's length Chinese corporation. The total consideration for the sale of the project is US$10 million including US$5 million paid at closing (February 1, 2017) and US$5 million to be paid at the rate of US$2.00 per tonne of manganese concentrate or ore shipped from Matthews Ridge once it enters into production. Pursuant to the agreement, the Company agreed to transfer to Bosai the four prospecting licenses (which make up the Matthews Ridge project), the March 2011 Mineral Agreement between the Company, the Co-Operative Republic of Guyana and the Guyana Geology Mines Commission ("GGMC"), and capital assets located at Matthews Ridge.

Prior to completing the sale of the Matthews Ridge project on February 1, 2017, the Company obtained all required approvals, including a consent from a majority of the Company's shareholders and approvals from the TSXV, the Government of Guyana and the GGMC.

The amount of $6,706,000 (US$5,000,000) paid at closing less capitalized mineral properties expenditures, net of rental fees and other payables, resulted in a gain on sale of the Matthews Ridge project of $6,487,461. The remaining amount of US$5 million, which is to be paid based on future production, will be accounted for as the amounts are received.

As part of the transaction, Bosai reimbursed the Company at closing for the amount of the performance bond of $155,579 (US$116,000) that had been paid by the Company to the GGMC at the time that the prospecting licenses had been granted in 2010.

March 31, 2018 and 2017 (audited, in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Sale of exploration and evaluation assets

During the year ended March 31, 2017, the Company sold some mobile equipment, service vehicles and other equipment located at the Matthews Ridge project for proceeds of $512,948, resulting in a gain on sale of $481,645. At March 31, 2018, other receivables include an amount of $154,728 to be received from the sale of these assets, over the next 12 months ($345,439 at March 31, 2017), after recording a bad debt expense of $43,321 during the year ended March 31, 2018.

Recovery of expenses

In December 2016, the Company recovered an amount of $260,450 from the GGMC for expenses incurred by the Company on behalf of the GGMC for the removal of scrap metal located at the Matthews Ridge property, which amount was presented as recovery of expenses in the consolidated statements of comprehensive income (loss).

5. LOANS FROM RELATED PARTIES

Loans from related parties are composed of the following:

	March 31, 2018	March 31, 2017
	$	$
Convertible Notes	**-**	682,876
Accrued interest on Convertible Notes	**-**	300,511
Deferred bonus payments	**-**	166,902
	-	1,150,289

In 2013, two of the Company's executive officers advanced to the Company a total amount of $1,007,000 for working capital purposes ("Convertible Notes") and agreed to defer the receipt of bonus payments in the amount of $265,980 (US$200,000) which had become payable in February 2013. The Convertible Notes bore interest at the rate of 1% per month until maturity.

In February 2017, following the completion of the sale of the Matthews Ridge project, the Company reimbursed the Convertible Note, including accrued interest, that had been made to the Company by its former president and CEO and his share of the deferred bonus payments, for a total of $533,926. In March 2017, the Company reimbursed an amount of $59,124 in advances that had been made to the Company by its chairman.

During the year ended March 31, 2018, the Company reimbursed the balance of the loans (and accrued interest) from the Company's executive chairman in the amount of $1,202,863, including an amount of $17,935 that had been allocated to the equity component of the Convertible Notes.

March 31, 2018 and 2017 (audited, in Canadian dollars)

6. INCOME TAXES

The income tax provision differs from the amount resulting from the application of the combined Canadian statutory income tax rate as follows:

	Year ended March 31, 2018	2017
	$	$
Net income (loss) before income taxes	**(4,849,548)**	5,335,770
Tax using the Company's domestic tax rate (26.88% in 2018 and in 2017)	**(1,303,559)**	1,433,988
Effect of tax rate in foreign jurisdictions	**(113,486)**	39,230
Effect of foreign exchange due to consolidation	**3,501**	43,135
Difference in tax rate	**-**	(141,284)
Effect of tax rate on deferred income tax balance	**8,488**	1,921,802
Non-deductible expenses	**(225,764)**	(18,848)
Unrecognized tax assets	**1,631,653**	(2,833,958)
Others	**(833)**	(67,204)
Income tax expense	**-**	376,861

Unrecognized deductible temporary differences for which no deferred tax assets have been recognized are presented in the following tables. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against which the Company can utilize the benefits therefrom.

					March 31, 2018
	Guyana	French Guiana	United States	Canada	Total
	$	$	$	$	$
Non-capital loss carry-forwards	66,569,728	1,802,303	16,658,307	18,253,654	103,283,992
Capital loss carry-forwards	319,639	-	14,807,960	8,311,516	23,439,115
Property and equipment	3,197	-	-	392,358	395,555
Exploration and evaluation assets	-	-	-	16,701,207	16,701,207
Other	-	-	-	892,021	892,021
	66,892,564	1,802,303	31,466,267	44,550,756	144,711,890

March 31, 2018 and 2017 (audited, in Canadian dollars)

6. INCOME TAXES (continued)

				March 31, 2017
	Guyana	United States	Canada	Total
	$	$	$	$
Non-capital loss carry-forwards	64,921,668	17,181,543	16,184,119	98,287,330
Capital loss carry-forwards	332,067	15,273,077	8,319,118	23,924,262
Property and equipment	41,330	-	392,358	433,688
Exploration and evaluation assets	-	-	16,701,207	16,701,207
Other	-	-	179,528	179,528
	65,295,065	32,454,620	41,776,330	139,526,015

Losses carried forward as at March 31, 2018 will expire as follows:

	Canada
	$
2026	1,460,212
2027	1,458,642
2028	1,088,068
2029	1,262,881
2030	338,915
2031	833,035
2032	1,930,034
2033	1,746,086
2034	2,167,680
2035	1,718,455
2036	686,632
2037	1,488,686
2038	2,074,328
	18,253,654

The Company's wholly-owned subsidiary in Guyana has a loss carry-forward of $66,569,728 at March 31, 2018, available indefinitely to reduce taxable income in future years. The Company's wholly-owned subsidiary in French Guiana has a loss carry-forward of $1,802,303 at March 31, 2018, available indefinitely to reduce taxable income in future years. The Company's wholly-owned subsidiary in the United States has a loss carry-forward of $16,658,307 at March 31, 2018, available until 2027.

7. SHARE CAPITAL

Authorized and issued

Unlimited number of common shares and unlimited number of preferred shares, issuable in series.

At March 31, 2018, the Company had 319,916,587 issued and outstanding common shares (187,451,596 at March 31, 2017).

Issuance of securities

On December 1, 2017, the Company completed a non-brokered private placement with Barrick Gold Corporation ("Barrick") and issued 48,000,000 common shares to Barrick at a price of $0.19 per share for total proceeds of $9,120,000. Following this private placement, Barrick owns approximately 15% of the Company's issued and outstanding common shares on a non-diluted basis. Share issue expenses related to this private placement amounted to $52,491.

In September 2017, the Company completed in two tranches a non-brokered private placement and issued 84,464,991 units ("Units") at a price of $0.13 per Unit for gross proceeds of $10,980,449. 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, subject to the Company's right to accelerate the expiry date in the event that the Company's shares trade on the TSXV at a closing price of $0.40 or greater for 20 consecutive trading days at any time after June 18, 2018. 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 $0.07 per warrant by applying a binomial regression method, using an expected time-period of 3 years, a weighted average risk-free interest of 1.60%, a weighted average volatility rate of 177% and a 0% dividend factor. An amount of $2,603,495 was allocated to the share purchase warrants and presented as part of contributed surplus. Share issue expenses amounted to $469,535. As part of the private placement, the Company's executive chairman subscribed to 5,769,230 Units for total proceeds of $750,000.

On March 9, 2017, the Company completed a non-brokered private placement of 7,133,660 common shares at a price of $0.10 per share for proceeds of $713,366. Subscribers to the private placement consisted exclusively of directors of the Company.

March 31, 2018 and 2017 (audited, in Canadian dollars)

7. SHARE CAPITAL (continued)

Share purchase warrants

On October 30, 2017, the Company issued to Paradigm Capital inc. ("Paradigm") a total of 2,800,000 non-transferrable warrants, exercisable for 3 years at $0.20 per share, subject to the Company's right to accelerate the expiry date in the event that the Company's shares trade on the TSXV at a closing price of $0.40 or greater for 20 consecutive trading days at any time after July 30, 2018. The warrants were issued to Paradigm as consideration for the financial advisory services provided to the Company. The fair value of each warrant was estimated at $0.10 per warrant by applying a binomial regression method, using an expected time-period of 3 years, a risk-free interest of 1.50%, a volatility rate of 177% and a 0% dividend factor. The estimated fair value of the warrants in the amount of $224,000 was presented as share issue expenses.

The underlying expected volatility described above was determined by reference to historical data of the Company's share price over the expected life of the warrants.

The following table reflects the activity in share purchase warrants:

Grant date	Number of warrants March 31, 2017	Granted	Number of warrants March 31, 2018	Price per share	Expiry Date
		$		$	$
September 8, 2017	-	39,153,595	39,153,595	0.20	Sept 8, 2020
September 19, 2017	-	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
	-	45,032,495	45,032,495	0.20	

March 31, 2018 and 2017 (audited, in Canadian dollars)

8. STOCK OPTIONS

The shareholders of the Company adopted and approved a stock option plan (the "2004 Stock Option Plan") for employees, officers, directors and consultants to the Company and its affiliates. The Board of Directors has delegated the authority to oversee the 2004 Stock Option Plan to the Compensation and Corporate Governance Committee of the Company (the "Compensation Committee"). The Compensation Committee may determine the time during which any options may vest. The exercise price of an option shall not be lower than the closing price of the common shares on the TSXV on the last trading day prior to the date of the grant. The options shall be for such periods as the Compensation Committee determines up to a maximum of five years. The maximum number of common shares issuable pursuant to the 2004 Stock Option Plan shall not exceed 10% of the total number of common shares outstanding from time to time.

The following table sets out the activity in stock options:

		Year ended March 31, 2018		Year ended March 31, 2017
	Number	**Weighted average exercise price ($)**	Number	Weighted average exercise price ($)
Options, beginning of year	**11,357,500**	**0.13**	7,265,000	1.27
Granted	**6,600,000**	**0.16**	9,795,000	0.07
Expired	**(937,500)**	**0.73**	(4,140,000)	(1.86)
Cancelled	**-**	**-**	(1,562,500)	(0.49)
Options, end of year	**17,020,000**	**0.11**	11,357,500	0.13

On January 22, 2018, the Company granted 600,000 stock options to two directors. The stock options have a five-year term and are exercisable at a price of $0.16 per share. The stock options granted will vest over a two-year period.

On January 4, 2018, the Company granted 5,500,000 stock options to two senior executive officers. The stock options have a five-year term and are exercisable at a price of $0.16 per share. The stock options granted will vest over a two-year period.

On December 4, 2017, the Company granted 500,000 stock options to a consultant. The stock options have a five-year term and are exercisable at a price of $0.16 per share. The stock options granted will vest over a two-year period.

On February 14, 2017 and February 9, 2017, the Company granted a total of 9,795,000 stock options to its directors, officers and consultants. The stock options have a five-year term and are exercisable at an average price of $0.07 per share. The stock options granted will vest over a two-year period.

March 31, 2018 and 2017 (audited, in Canadian dollars)

8. STOCK OPTIONS (continued)

The following table provides a summary of stock options granted and related Black-Scholes option pricing model input factors used:

	Year ended March 31,	
	2018	2017
Number of stock options granted during the period	**6,600,000**	9,795,000
Weighted-average exercise price ($)	**0.16**	0.07
Weighted average grant date market price ($)	**0.16**	0.07
Expected stock option life (years)	**5.0**	5.0
Expected volatility (%)	**142**	99
Risk-free interest rate (%)	**1.9**	1.2
Dividend yield (%)	**-**	-
Weighted-average grant date fair value (Black-Scholes value) ($)	**0.14**	0.05

The underlying expected volatility of all option grants was determined by reference to historical data of the Company's share price over the expected stock option life. No special features inherent to the stock options granted were incorporated into the measurement of fair value.

The following table reflects the stock options issued and outstanding at March 31, 2018:

Issue date	Number of stock options	Exercise price	Remaining contractual life (years)	Number of exercisable options	Exercise price of exercisable options
		$			$
September 18, 2013	625,000	0.13	0.5	625,000	0.13
February 9, 2017	9,045,000	0.07	3.8	6,030,000	0.07
February 14, 2017	750,000	0.10	3.9	500,000	0.10
December 4, 2017	500,000	0.16	4.7	166,667	0.16
January 4, 2018	5,500,000	0.16	4.8	1,833,333	0.16
January 22, 2018	600,000	0.16	4.8	200,000	0.16
	17,020,000	0.11	2.4	9,355,000	0.10

March 31, 2018 and 2017 (audited, in Canadian dollars)

9. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration expenses:

	Year ended March 31,	
	2018	2017
	$	$
Contractors and consultants	**1,512,799**	108,747
Drilling and assaying	**251,796**	-
Studies	**81,159**	-
Transportation and travel	**637,709**	26,824
Others	**538,604**	6,671
	3,022,067	142,242

10. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Year ended March 31,	
	2018	2017
	$	$
Wages	**968,312**	1,082,493
Consulting fees	**730,316**	308,303
Professional fees	**108,144**	45,246
Office and others	**120,090**	43,299
Investor relations and travel	**255,218**	19,733
Reporting issuer costs	**23,722**	15,805
	2,205,802	1,514,879

11. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share for the year ended March 31, 2018 was based on the net loss attributable to common shareholders of $4,849,548 (net income of $4,958,909 in 2017) and the weighted average number of common shares outstanding of 249,611,050 (180,747,910 in 2017).

Excluded from the calculation of the diluted loss per share for the year ended March 31, 2018 are 45,032,495 share purchase warrants and 17,020,000 stock options because to include them would be anti-dilutive as they would have the effect of decreasing the loss per share.

March 31, 2018 and 2017 (audited, in Canadian dollars)

12. OTHER COMMITMENT AND CONTINGENCY

In addition to the commitments described in Note 4, the Company has entered into a long-term lease agreement expiring in June 2020 which calls for minimum lease payments of $223,380 for the rental of office space. Minimum lease payments are $99,280 in each of 2019 and 2020 and $24,820 in 2021.

The agreements between the Company and its officers contain termination without cause and change of control provisions. Assuming that the Company's officers had all been terminated without cause or that a change in control had occurred on March 31, 2018, the total amount payable to the Company's officers would have totaled $974,170.

13. SEGMENTED INFORMATION

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

				March 31, 2018
	Canada	**French Guiana**	**Guyana**	**Total**
	$	**$**	**$**	**$**
Current assets	**16,286,092**	**295,776**	**318,529**	**16,900,397**
Capital assets	**-**	**119,524**	**338,256**	**457,780**
Mineral properties	**-**	**1,015,488**	**500,482**	**1,515,970**
Total assets	**16,286,092**	**1,430,788**	**1,157,267**	**18,874,147**

				March 31, 2017
	Canada	French Guiana	Guyana	Total
	$	$	$	$
Current assets	5,083,804	-	364,461	5,448,265
Capital assets	-	-	-	-
Mineral properties	-	-	-	-
Total assets	5,083,804	-	364,461	5,448,265

14. CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' equity. When managing capital, the Company's objectives are a) to ensure the entity continues as a going concern; b) to increase the value of the entity's assets; and c) to achieve optimal returns to shareholders. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. At March 31, 2018, managed capital totaled $17,772,236 ($3,422,892 at March 31, 2017).

The Company's properties are currently in the exploration stage. As such, the Company is dependent on external financing to fund its activities. The amount and timing of additional funding will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There were no changes in the Company's approach to capital management during the year ended March 31, 2018. The Company is not subject to any externally imposed capital requirements at March 31, 2018.

15. FINANCIAL RISK MANAGEMENT

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the Company's financial objectives, policies and processes during the year ended March 31, 2018.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required for its continued operations as the Company generates cash flow from its financing activities (Note 1).

Accounts payable and accrued liabilities (except salaries and benefits payable) of $622,165 are due within the next 12 months.

Interest rate risk

The Company's interest rate risk relates to cash. The Company's policy as it relates to its cash balances is to invest excess cash in guaranteed investment certificates or interest-bearing accounts with a major Canadian-based chartered bank. The Company regularly monitors compliance to its cash management policy. Cash is subject to floating interest rates. Based on cash on hand at March 31, 2018, sensitivity to a plus or minus 1% change in interest rates would affect profit or loss by approximately $164,000 (approximately $50,000 at March 31, 2017).

15. FINANCIAL RISK MANAGEMENT (continued)

Currency risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions conducted in a currency other than the respective functional currencies of each of the entities within the consolidated group. The Company has not entered into any derivative contracts to manage this risk. Transactions related to the Company's activities in Guyana are mainly denominated in Guyanese dollars and in United States dollars and in French Guiana in Euros. The consolidated entity seeks to minimise its exposure to currency risk by monitoring exchange rates and entering into foreign currency transactions that maximize the consolidated entity's position. The board considers this policy appropriate, taking into account the consolidated entity's size, current stage of operations, financial position and the board's approach to risk management. At March 31, 2018, assets and liabilities denominated in a foreign currency consisted of cash of $1,370,291 ($4,656,658 at March 31, 2017), other receivables of $4,403 ($172,552 at March 31, 2017), accounts payable and accrued liabilities of $65,756 ($70,502 at March 31, 2017), income taxes payable of $370,200 ($381,828 at March 31, 2017) and loans from related parties of nil ($166,902 at March 31, 2017). The impact on comprehensive income and equity of a 10% increase or decrease in foreign currencies to the Canadian dollar exchange rate on the Company's financial instruments balances at March 31, 2018 would be approximately $94,000 ($421,000 at March 31, 2017).

Credit risk

At March 31, 2018, the Company's financial assets exposed to credit risk are primarily composed of cash, receivable from related parties and other receivables. To mitigate exposure to credit risk, the Company has established a policy to ensure counterparties demonstrate minimum acceptable worthiness, and to ensure liquidity of available funds. The Company's management considers that all financial assets held are of good credit quality. The Company's cash is held with large Canadian and French-based financial institutions.

Political risk

The Company carries on its exploration activities in South America. These activities may be subject to political, economical or other risks that could influence the Company's exploration and development activities and future financial situation.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of cash, receivable from related parties, other receivables and accounts payable and accrued liabilities are considered to be a reasonable approximation of their fair value given the short-term maturity of these instruments.

As at March 31, 2018, the Company has no financial liability other than the accounts payable and accrued liabilities measured at amortized cost. As at March 31, 2017, the loans from related parties in the amount of $1,150,289 was categorized as level 2 according to the significance of the inputs used in making the measurements.

Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (being the fair value hierarchy):

Level 1: Quoted prices in active markets for identical items (unadjusted).
Level 2: Observable direct or indirect inputs other than Level 1 inputs.
Level 3: Unobservable inputs (not derived from market data).

There were no transfers between Levels 1, 2 and 3 during the years ended March 31, 2018 and 2017.

March 31, 2018 and 2017 (audited, in Canadian dollars)

17. RELATED PARTY TRANSACTIONS

The detail of transactions between the Company and its related parties (in addition to those transactions described in Note 5), other than subsidiaries which are fully consolidated, are described below. Related party transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Unless otherwise stated, none of these transactions included special terms or conditions. No guarantees were given.

Companies under common management

During the years ended March 31, 2018 and 2017, the Company was a party to separate agreements to provide 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. Such amounts recovered for administrative services during the year ended March 31, 2018 totaled $171,136 ($188,681 in 2017) and were presented against office and other expenses on the consolidated statements of comprehensive income (loss). During the year ended March 31, 2018, the Company paid or accrued an amount of $157,637 ($128,336 in 2017) to Highland for administrative and legal services, under a management services agreement dated January 1, 2016.

At March 31, 2018, the Company had an amount receivable from companies under common management of $102,538 ($74,310 at March 31, 2017). Amounts due are non-interest bearing and are due within 30 days of invoice date.

Settlement payment to the Company's former president and CEO

In February 2017, the Company paid to its former president and CEO an amount of US$100,000 as full and final settlement of all unpaid amounts related to his employment with the Company due at the date of his resignation in February 2016, in accordance with a settlement agreement entered into at that time.

Remuneration of directors and key management of the Company

The remuneration awarded to directors and to senior key management, including the president and Chief Executive Officer and the Chief Financial Officer, is as follows:

		Year ended March 31,
	2018	2017
	$	$
Salaries, bonuses and benefits	**948,273**	910,368
Consulting fees	**426,692**	112,621
Share-based compensation	**545,068**	134,800
	1,920,033	1,157,789

18. EVENT AFTER THE REPORTING PERIOD

Definitive Agreement on the Waiamu Gold Project

On April 16, 2018, following completion of its due diligence, the Company and the titleholders of the Waiamu gold project entered into a definitive agreement outlining all terms to entitle the Company to conduct exploration activities and acquire all the rights, title and interest in the Waiamu gold project. In accordance with the definitive agreement, the Company paid a total of US$200,000 to the title holders as the initial payment, including an amount of US$65,000 paid in December 2017 following the execution of the letter agreement described in Note 4. In order to maintain its rights to conduct exploration activities and acquire the Waiamu project during a period of five years, the Company will have to pay US$200,000 on each of the first, second, third and fourth anniversary of the execution of the definitive agreement, for a total initial consideration of US$1,000,000. The Company will be entitled to acquire the Waiamu project at any time during the term of the agreement provided that the Company has spent at least US$5,000,000 in exploration and development expenditures and that the total cumulative option payments of at least US$1,000,000 has been made. An additional consideration may be payable if the Company produces a feasibility study for the project (the “Contingent Consideration”). The Contingent Consideration will be equal to US$5.00 per ounce of gold to be produced from the project. The Company will be entitled to terminate the definitive agreement at any time without further financial obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended March 31, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2018

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Reunion Gold Corporation ("Reunion Gold") and its subsidiaries (together the "Company"), dated June 27, 2018, covers the years ended March 31, 2018 and 2017 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended March 31, 2018 and 2017 (the "March 31, 2018 and 2017 consolidated financial statements"). The March 31, 2018 and 2017 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All financial results presented in this 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. Reunion Gold's financial year-end is March 31 and its common shares trade on the TSX Venture Exchange ("TSXV") under the symbol RGD. At March 31, 2018, the Company had a working capital of $15.8 million and 319.9 million issued and outstanding common shares.

Since December 2016, the Company has entered into agreements entitling it to acquire interests in six (6) gold projects in the Guiana Shield, namely the Dorlin, Boulanger and Haute Mana Projects in French Guiana and the Waiamu, Arawini and Aremu Projects in Guyana, all subject to terms and conditions summarized in this MD&A under the *Exploration Properties* section.

The Company's exploration activities are conducted through wholly-owned subsidiaries, Reunion Manganese Inc. in Guyana and Ressources Reunion SAS (incorporated in November 2017) in French Guiana.

Financings

Private placement with Barrick Gold Corporation

On December 1, 2017, the Company completed a non-brokered private placement with Barrick Gold Corporation ("Barrick") and issued 48,000,000 common shares to Barrick at a price of $0.19 per share for total proceeds of $9,120,000. At June 27, 2018, Barrick owns approximately 15% of the Company's issued and outstanding common shares on a non-diluted basis.

Pursuant to an investor rights agreement entered into between the Company and Barrick in connection with this financing, so long as Barrick holds not less than 10% of the then issued and outstanding shares of Reunion Gold, Barrick has been granted certain rights including: (i) to nominate one director to the Company's board of directors (the "Board"), (ii) to participate in all future equity financings of the Company to maintain its relative equity ownership, and (iii) a right of first refusal in connection with the sale by the Company of any interest in any of its mineral projects. Barrick is subject to certain standstill restrictions for a period of two years.

September 2017 private placement

In September 2017, the Company completed in two tranches a non-brokered private placement and issued 84,464,991 units ("Units") at a price of $0.13 per Unit for gross proceeds of $10,980,449. Each Unit consisted of one common share and one half of one common share purchase warrant ("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, subject to the Company's right to accelerate the expiry date in the event that the Company's common share trade on the TSXV at a closing price of $0.40 or greater for 20 consecutive trading days at any time after June 8, 2018.

The Company retained Paradigm Capital Inc. to act as its financial advisor. As consideration for the advisory services, the Company issued to Paradigm on October 30, 2017, 2,800,000 non-transferrable warrants, exercisable for three years at $0.20 per share, subject to the Company's right to accelerate the expiry date under the same terms as described above at any time after July 30, 2018.

Board appointments and grant of stock options

On January 22, 2018, the Board of Directors appointed Ms. Catherine Stevens and Mr. Robert Leckie as directors of the Company. Ms. Stevens has a Master in Public Administration from Harvard University and a Master of Arts from St Catharine's College, Cambridge. She brings to the Company a solid experience in sustainable development with a broad background in international development, corporate social responsibility, public policy and communications in the public, private and non-profit sectors. Mr. Leckie is currently Vice-President of Dundee Resources Ltd. ("Dundee") where he is responsible for identifying and developing investment opportunities. Mr. Leckie was appointed to the Board as a nominee of Dundee. In connection with their participation in the September 2017 private placement, Dundee, a long-time shareholder of the Company (currently holding 16.5% of the Company's common shares) was granted a right to nominate one director to the Board for so long as it holds an interest of not less than 10% of the Company's issued and outstanding common shares.

On the same date, the Board approved the grant of 300,000 incentive stock options to each new director pursuant to the Company's stock option plan. The options are exercisable for a period of five years at an exercise price of $0.16 and vest over a period of two years.

On January 5, 2018, the Company's Board also approved the grant of 4,000,000 stock options to the executive chairman and 1,500,000 to the president and chief executive officer of the Company. The options are exercisable for a period of five years at an exercise price of $0.16 and will vest over a period of two years.

Exploration Properties

Waiamu gold project, Guyana

On April 16, 2018, following completion of its due diligence, the Company entered into a definitive agreement (the "Waiamu Agreement") with arm's length local miners setting out the main terms and conditions under which the Company is entitled to conduct exploration activities and to acquire all the rights, title and interest in the Waiamu gold project (the "Waiamu Project"). The agreement is for an initial period of five years with a possible extension of up to two additional years (the "Term"). An initial payment of US$200,000 was made to the owners of the mineral titles (US$65,000 was paid in December 2017 on signing of a letter agreement and the remaining amount of US$135,000 was paid following the execution of the definitive agreement) and annual payments of US$200,000 are payable thereafter during the Term of the Waiamu Agreement. The Company can exercise its rights to acquire the Waiamu Project at any time during the Term, provided that the Company has spent at least US$5,000,000 in exploration and development expenditures and that total cumulative option payments of at least US$1,000,000 have been made. The Company can terminate the Waiamu Agreement at any time upon delivery to the owners of a 30-day prior written notice. If the Company exercises its option to acquire the Waiamu Project, the owners will be entitled to receive an additional consideration equal to US$5.00 per ounce of gold to be produced from the Waiamu Project, payable in accordance with an agreed advance payment schedule starting upon exercise of the option.

The Waiamu Project covers approximately 35,000 acres located 130 km northwest of Georgetown, the capital city of Guyana, adjacent to the Cuyuni River. Access to the project is by helicopter from Georgetown, or by bush road or boat from the river port of Bartica. The project area is underlain by a north-east trending volcanoclastic sedimentary sequence typical of the Guiana Shield greenstone belts of Proterozoic age. These rocks have been deformed and metamorphosed, hosting numerous artisanal gold workings, with gold-bearing quartz veins often forming dense "swarms" with significant volumes. The current owners are carrying out artisanal gold mining in the weathered cap of two prospects using contractors.

The Company has begun executing a comprehensive exploration program at the Waiamu Project, including line cutting, prospecting, geological mapping and regolith auger-sampling. A total of approximately 250 km of line cutting has been completed to date, and approximately 3,500 regolith, "grab" and chip samples has been collected and sent for assaying. Results will be announced when completely available. Historical regional airborne magnetic surveys have been compiled, reprocessed and interpreted, showing the presence of several NW-SE trending structural corridors transecting the project area. Another parallel structure to the east passes adjacent to a large artisanal gold producing pit, which also coincides with a magnetic anomaly of unknown source.

The 400 m by 50 m regolith sampling program has defined at least eleven areas with anomalous gold values, independent from known artisanal prospects. The sampling of tailings and pit walls in such historical and current artisanal prospects has given encouraging gold values. The Company's exploration team is compiling the results of the ongoing exploration work and identifying targets for ground magnetometry surveys and trenching and a drilling program of at least 5,000 meters is expected to begin in the third quarter of 2018.

Arawini gold project, Guyana

On March 14, 2018, the Company entered into a definitive agreement with an arm's length local miner entitling the Company to conduct exploration activities and to acquire a 100% interest in the Arawini gold project (the "Arawini Project") during a period of five years, with a possible one-year extension. The Company paid US$100,000 to the owner of the Arawini mineral titles following the execution of the definitive agreement and will be required to make annual payments of US$150,000 during the term of the agreement. The Company can terminate the Arawini agreement at any time upon delivery to the owner of a 30-day prior written notice. Should the Company exercise the option to acquire the project, the owner will retain a 0.1% net smelter royalty on all gold produced from the Arawini Project.

The Arawini Project covers approximately 22,000 acres of mineral rights in northwest Guyana. The project area is underlain by a sequence of volcanic and sedimentary rocks flanking a granitic batholith known to host several gold prospects that have been the object of artisanal mining of both alluvial and primary mineralization. Previous geochemical exploration outlined several soil and stream sediment anomalies that need to be followed-up. The Company is planning to commence a reconnaissance program for the Project area later this year.

During the year ended March 31, 2018, the Company also paid a total amount of US$125,000 to secure the right to acquire other early-stage exploration mineral rights located in close proximity to the Arawini Project.

Aremu gold project, Guyana

On December 11, 2017, the Company entered into a definitive agreement (the "Aremu Agreement") with an arm's length local miner entitling the Company to conduct exploration activities and to acquire all the rights, title and interest in the Aremu gold project (the "Aremu Project"). The Company paid US$75,000 on closing of the transaction. To maintain its rights to conduct exploration activities and acquire the Aremu Project during a period of six years, the Company will have to pay US$75,000 in the first year following the date of the Aremu Agreement and US$150,000, US$400,000, US$50,000 and US$100,000 during the second, third, fourth and fifth year, respectively, for total initial payments of US$775,000. The Company will be entitled to acquire the

Aremu Project at any time during the term of the agreement upon payment of the balance of the initial payments (if any). In addition, the Company agreed to pay an amount equal to US$5.00 per ounce of gold to be produced from the project as reported in an approved and permitted mine plan. The Aremu Project is also subject to a 2% net smelter returns royalty. The Company is entitled to terminate the Aremu Agreement at any time without further financial obligations.

The Aremu Project covers 5,164 acres of mineral rights located near Falls Top, in the Cuyuni Mining District, at the confluence of the Cuyuni and Aremu rivers. The project lies along the contact of a granitic intrusive and volcanic rocks of Proterozoic age. It has been exploited by small-scale miners for over 30 years, with most of the work confined to alluvium and quartz stringers in saprolite. The Company's exploration team has carried out reconnaissance mapping and sampling of several artisanal pits in the area, identifying numerous quartz veins hosting gold mineralization. The Company plans to establish a grid of lines to conduct soil geochemistry sampling over areas considered to be potential sources of known alluvial gold. This program is planned to commence later in 2018.

Dorlin gold project, French Guiana

In February 2017, the Company entered into an option agreement to acquire a 75% interest in the Dorlin Project in French Guiana from Société Minière Yaou-Dorlin ("SMYD"), a subsidiary of Auplata S.A., a French company listed on Alternext. The Dorlin Project consists of an 84 km^2 Exploitation Permit for gold, in the central west region of French Guiana, approximately 190 km south-west of the capital Cayenne, within an area open to mining activity. The Dorlin Project is underlain by rocks typical of the greenstone belts of the Guiana Shield, which hosts numerous artisanal gold workings. In the 1990's, substantial exploration work was conducted in the area by Guyanor Ressources S.A. (now Euro Ressources S.A.) and Cambior Inc. (now Iamgold Corporation).

The option is subject to certain conditions precedent including the renewal of the Dorlin Project permit and the completion by the Company of technical and legal due diligence on the Project for a period of 120 days from the renewal date. The option will be valid for a period of five years from the date all conditions precedent are satisfied. To exercise the option to acquire a 75% interest in the Dorlin Project, the Company will have to complete and deliver a feasibility study to SMYD within a period of four years and six months of the beginning of the option period. To maintain the option, the Company is required to spend at least US$3 million in the first three years. Once the option is exercised, SMYD can maintain a 25% participating interest ("PI") or can elect to receive a 5% net profit interest ("NPI"). If SMYD chooses a 25% PI, the Company will have the option to acquire an additional 5% PI from SMYD for a consideration based on the net present value as established in the feasibility study. The Dorlin Project is subject to a 1.0% royalty payable to previous owners of the Project. SMYD filed an application to renew the Dorlin permit in July 2015 and it is still pending.

In 2017, the Company began work to validate the historical estimate of the Nivré deposit with the intention of completing a current mineral resource estimate in accordance with Canadian National Instrument 43-101 ("NI 43-101") by the end of 2018.

The first phase of the validation work consisted in re-sampling 854 mineralized core intervals from 124 historical drill holes, which corresponds to about 10% of core available, accompanied by the re-logging of these holes. This re-sampling produced good correlation with the historical values and the Company plans to advance this program by drilling six validation core holes that, together with the validation of historical samples, will allow using the historical data to complete a current resource estimate.

Following completion of the validation program, the Company plans to conduct a comprehensive drilling program (beginning in July 2018) of 62 holes totaling approximately 8,200 meters distributed over the Nivré deposit and its northern and southern edges. Results of this drilling program will be included in a resource estimate for the Nivré deposit that the Company is planning to complete by the end of 2018.

The Company is also planning to explore the northern extension of the Nivré deposit by doing induced polarization (IP) surveys of the d'Artagnan, Roche d'Olon and 7 Kilos targets, which were the focus of extensive artisanal gold production in the past. This area extends for about four kilometers north of the Nivré deposit.

Boulanger gold project, French Guiana

On July 26, 2017, the Company entered into a three-year option agreement to acquire from Compagnie Minière de Boulanger ("CMB"), an arm's length private company, a 100% interest in certain mineral titles located in French Guiana which include the Boulanger, Central Bief, Devez North and Devez South mineral concessions and the Carapa exploration permit (the "Boulanger Project"). On closing, the Company made an initial payment of EUR500,000. An additional payment of EUR500,000 will be payable on July 26, 2018. As a condition to exercise the option, the Company is required to spend at least US$4,000,000 on exploration and development on the Boulanger Project and pay an additional amount of EUR1,000,000 to CMB. The Company will have to pay a final amount of EUR1,000,000 to CMB following approval of the transfer to the Company of the concessions and exploration permit by the French regulatory authorities. Upon exercise of the option by the Company, CMB will retain a 2% net smelter returns royalty on the project. The option can be exercised at any time between January 1, 2019 and July 25, 2020. The Company can terminate the option agreement at any time upon a 30-day notice to CMB, provided that the first anniversary payment of EUR500,000 has been paid.

In November 2017, the Company also entered into an agreement with a privately-held company, whereby rights to an occupation permit, which permit provides access rights to a camp located on the Boulanger Project, and various equipment and service vehicles were transferred to the Company for a total amount of EUR150,000.

The Company has since initiated an exploration program that includes the compilation of historical data from previous operators, the relogging and resampling of available drill core and geological mapping on area where artisanal mining occurred in the past. In addition, the Company conducted a drilling program which was completed in May 2018. The objective of the exploration program is to follow-up on work done by previous operators and define the geometry and the extent of the known gold mineralization.

On June 20, 2018, the Company released the assay results of its initial drilling program at the Boulanger Project. The program consisted of twelve diamond drill holes for a total of 1,025 meters and was focused on a two square kilometers area in the northeastern corner of the Central Bief concession. This area was explored by ASARCO in the 1990's and by CMB in 2016, for a total of 5,379 meters of drilling. Total historical drilling within the Project area amounted to 13,300 meters. CMB also mined primary gold mineralization and alluvial placer in the Doyle area and continues to mine alluvial gold downstream in the concession.

Five of the nine drill holes testing the Doyle 1, 2 and 3 prospects intersected gold mineralization hosted by quartz veins with pyrite and tourmaline in sheer zones hosted by mafic volcanic rocks. Two drill holes tested the Crique Filon prospect, located five hundred meters east of the Doyle prospect. Visible gold was identified in two holes. This initial drilling program confirmed the presence of significant gold mineralization in the northeastern corner of the Central Bief concession. The drilling results are being interpreted and a better understanding of the local controls of gold mineralization is emerging.

The Company plans to continue a comprehensive exploration program on the Boulanger Project by integrating and expanding the geological data generated by various previous operators with the objective of defining a gold resource. The planned work, which is expected to be completed in the next quarter, includes i) relogging and re-assaying core drilled in the 2000's on the Carapa permit (STM prospect); ii) completing an heliborne magnetometric and radiometric survey over the whole Boulanger Project area to define geological structures and lithological contacts related to gold mineralization; and iii) completing induced polarization surveys over the Doyle and STM prospects, where there is a known association of gold mineralization and sulphides.

Haute Mana gold project, French Guiana

In December 2016, the Company entered into an option agreement with Union Minière de Saül ("UMS"), an arm's length private company, to acquire an 80% interest in eight contiguous mining concessions covering an area of 122.5 km^2 in central French Guiana (referred to as the Haute Mana Project) by completing a preliminary economic assessment ("PEA") on the project. Upon exercise of the option, the Company will be deemed to have acquired an 80% interest in the concessions. UMS will then have the option to retain its 20% participating interest or convert its interest in a 5% net profit interest or sell its 20% interest to the Company at a price to be agreed to at that time.

On March 26, 2018, the parties entered into an amendment to the option agreement providing that (1) the option will be valid until January 1, 2024 (was previously a 5-year option) and (2) the Company will oversee and pay for the environmental reclamation work described in a plan approved by the French mining authorities (replacing a loan of up to 250,000 euros to UMS).

The Haute Mana Project consists of eight mining concessions covering an area of 122.5 km² in the central-south part of French Guiana, some 170 km SW from the capital city of Cayenne, being accessible by a forest trail and aircraft. This is one of the most prolific gold producing area of French Guiana, from at least six "camps" along the Sophie-Saul shear zone, mostly from artisanal work both in alluvial and primary sources. The region was extensively mapped and explored by the Bureau de Recherches Géologiques et Minières (BRGM) in the 1980's. Ressources Franc-Or did further exploration work in the 1990's.

The eight mining concessions expire on December 31, 2018 but are renewable under certain conditions for additional terms of up to 25 years. In December 2016, UMS filed renewal applications for seven of the eight mining concessions with UMS and the Company agreeing to let the other concession expire.

Outlook

During the year, the Company refocused its exploration efforts on early-stage gold projects located in the Guiana Shield region of South America. Based on results from work conducted recently, the Company plans to focus most of its efforts in the coming months on exploration activities at the Waiamu Project in Guyana and the Dorlin and Boulanger projects in French Guiana. The Company's approved budget for exploration and evaluation work for the coming year totals approximately $10.0 million. Property payments and general and administration are estimated at $1.5 million and $2.0 million, respectively for the next 12 months.

Qualified Person

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

CONSOLIDATED FINANCIAL INFORMATION (1) (2)

Financial Position	March 31, 2018	March 31, 2017
	$	$
Cash	**16,444,794**	4,992,291
Exploration and evaluation assets	**1,515,970**	-
Total assets	**18,874,147**	5,448,265
Non-current liabilities	**-**	1,150,289
Shareholders' equity	**17,772,236**	3,422,892

Comprehensive Income (loss)	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	$	$	$
Net income (loss) for the year	**(4,849,548)**	4,958,909	(1,016,268)
Basic and diluted earnings (loss) per share	**(0.02)**	0.03	(0.01)
Cash Flows			
Operating activities	**(4,940,330)**	(2,486,520)	(232,952)
Investing activities	**(1,907,585)**	7,374,527	251,659
Financing activities	**18,375,560**	113,831	-

(1) The Selected Consolidated Financial Information was derived from the Company's March 31, 2018 and 2017 consolidated financial statements, prepared in accordance with IFRS.

(2) The Company's consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. At March 31, 2018, management believes that it has sufficient working capital to pay for its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for at least the next 12 months. As described in this MD&A, the Company recently entered into option agreements to acquire an interest in six gold projects in the Guiana Shield. The Company will need to raise funds in the future through the issuance of equity instruments or other arrangement to meet future work requirements. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that sources of funding or initiatives will be available to the Company or that they will be available when such funds are required.

Since its incorporation, the Company has not paid any cash dividend on its outstanding common shares and it is highly unlikely that any dividend will be paid in the foreseeable future.

Financial Review

The Company is in the exploration and development phase and does not yet have revenue-generating activities. Accordingly, the Company's financial performance is largely a function of the level of exploration and evaluation activities undertaken on its projects and the management and administrative expenses required to operate and carry out its activities. Below is a discussion of the major items impacting the Company's financial results for the years ended March 31, 2018 and 2017.

Exploration and evaluation expenses

During the year ended March 31, 2018, property payments capitalized in accordance with the Company's accounting policy on exploration and evaluation expenses totaled $1,515,970 (nil in 2017). Amounts capitalized by project are as follows:

	March 31, 2018
	$
Waiamu	**83,253**
Arawini	**322,350**
Aremu	**94,879**
Boulanger	**1,015,488**
	1,515,970

Exploration and evaluation expenses charged to the consolidated statement of comprehensive loss during the year ended March 31, 2018 and 2017 are as follows:

	Labour	**Drilling and assaying**	**Studies**	**Transport and travel**	**Others**	**Year ended Mar 31, 2018 Total**	Year ended Mar 31, 2017 Total
	$	**$**	**$**	**$**	**$**	**$**	$
Waiamu	**329,298**	**52,464**	**-**	**132,933**	**128,737**	**643,432**	-
Arawini	**141,433**	**1,390**	**-**	**66,599**	**81,432**	**290,854**	-
Aremu	**177,312**	**954**	**-**	**74,127**	**58,456**	**310,849**	-
Dorlin	**446,541**	**41,217**	**63,023**	**191,974**	**75,579**	**818,334**	56,897
Boulanger	**269,902**	**155,771**	**15,606**	**58,191**	**183,800**	**683,270**	-
Haute Mana	**73,137**	**-**	**2,530**	**40,838**	**10,600**	**127,105**	85,345
Others	**75,176**	**-**	**-**	**73,047**	**-**	**148,223**	-
	1,512,799	**251,796**	**81,159**	**637,709**	**538,604**	**3,022,067**	142,242

Results for the Year 2018 compared to 2017

During the year ended March 31, 2018, the Company incurred a net loss of $4,849,548 ($0.02 per share) compared to net income of $4,958,909 ($0.03 per share) in 2017.

The net loss in 2018 consisted mostly of exploration and evaluation expenditures of $3,022,067 ($142,242 in 2017) as detailed above, management and administration expenses of $2,205,802 described below ($1,514,879 in 2017), share-based compensation of $641,975 ($191,357 in 2017), a bad debt of $43,321 related to an uncollectible receivable on the sale of some mobile equipment in prior years, partially offset by a non-cash gain on foreign exchange of $990,384 on the settlement of an amount due to the Company's wholly-owned subsidiary in Guyana (a non-cash gain on foreign exchange of $81,793 in 2017).

In 2017, the Company had sold all of its rights, title and interest in the Matthews Ridge manganese project to Bosai Minerals Group Co., Ltd. ("Bosai"), an arm's length Chinese corporation, realizing a gain on the sale of $6,487,461. The total consideration for the sale of the project was US$10 million, including US$5 million which was paid to the Company on February 1, 2017, the closing date of the transaction, and US$5 million to be paid at the rate of US$2.00 per tonne of manganese concentrate or ore shipped from Matthews Ridge once it enters into production. Pursuant to the agreement, Reunion Gold agreed to transfer to Bosai the four prospecting licenses (which make up the Matthews Ridge project), the March 2011 Mineral Agreement between Reunion Gold, the Co-Operative Republic of Guyana and the Guyana Geology Mines Commission ("GGMC"), and capital assets remaining at Matthews Ridge. In 2017, the Company also realized a gain of $481,645 on the sale of some of the equipment located at the Matthews Ridge Project and recovered an amount of $260,450 from the GGMC for expenses incurred by the Company on behalf of the GGMC for the removal of scrap metal located at the Matthews Ridge Project.

Higher management and administration expenses were incurred in 2018 as a result of a higher level of activity than during the previous year. In 2018, wages and consulting fees of $1,698,628 included a bonus of $568,372 (US$450,000) paid to the Company's executive chairman. In 2017, wages and fees of $1,390,796 included an adjustment of $736,030 (US$562,500) to reinstate the annual compensation of the Company's chairman to US$300,000 from US$50,000, for the period from October 1, 2014 to December 31, 2016, which amount was subsequently invested in the Company as part of a private placement of common shares completed in March 2017, and an amount of $131,700 (US$100,000) paid to the Company's former president and CEO as full and final settlement of all unpaid amounts related to his employment with the Company, in accordance with a settlement agreement entered into at the time of his resignation in February 2016.

Other management and administration expenses included audit, tax and legal fees of $108,144 ($45,246 in 2017), filing fees of $23,722 ($15,805 in 2017), investor relations and travel expenses of $255,218 ($19,733) for attending key mining conferences, meeting with investors and visits to the Company's projects in Guyana and French Guiana, and office and other expenses of $120,090 ($43,299).

Share-based compensation totaled $641,975 in 2018 ($191,357 in 2017) following the grant of 9,795,000 options to directors, officers and consultants of the Company in February 2017 and 6,600,000 in 2018.

During the year, the Company recorded a finance expense of $34,639 on loans from the Company's executive chairman ($115,540 in 2017) and reimbursed the balance of the loans and accrued interest in the amount of $1,202,863. An amount of $750,000 reimbursed to the Company's executive chairman was subsequently re-invested in the September 2017 private placement.

During the year, the Company realized $123,379 in finance income on liquidities held ($5,981 in 2017) following the completion of two private placements during the year for total gross proceeds of $20,100,449.

The Company had no income tax expense in 2018 (an income tax expense of $376,851 during the year ended March 31, 2017 representing the estimated capital gains tax in Guyana on the sale of the Matthews Ridge project).

Results of the 4th quarter ended March 31, 2018 compared to the 4th quarter ended March 31, 2017

During the 4th quarter period ended March 31, 2018, the Company incurred a loss of $2,143,377 ($0.01 per share) compared to a loss of $1,544,030 ($0.01 per share) during the 4th quarter period ended March 31, 2017.

During the current period, the Company incurred $1,640,920 in exploration expenses mostly on the Waiamu Project in Guyana and the Dorlin and Boulanger projects in French Guiana ($89,185 in 2017 mostly related to the Dorlin and Haute Mana projects in French Guiana), $1,161,553 in management and administration expenses, including a bonus of $568,372 paid to the Company's executive chairman (management and administration expenses of $841,690 in 2017), $437,851 in stock-based compensation ($191,357 in 2017), depreciation and amortization of $14,608 (nil in 2017), a bad debt expense of $43,321 (nil in 2017), a finance expense of nil ($24,910 in 2017) on loans from related parties, partially offset by finance income of $58,200 ($5,980 in 2017) and a non-cash gain on foreign exchange of $1,096,676 mostly due to the settlement of an amount due to the Company's wholly-owned subsidiary in Guyana ($91,167 in 2017). During the comparative period, the Company had also accounted for a reduction in the gain on the sale of exploration and evaluation assets in the amount of $117,174 to account for expenses related to the sale of the Matthews Ridge project, and estimated income taxes on the sale of the Matthews Ridge project in the amount of $376,861.

The increase of $319,863 in management and administration expenses during the current period is mostly due to higher consulting fees ($122,167) as a result of a significant increase in the level of activities during the period and higher investor relations and travel expenses ($121,845) related to the higher number of events and personnel attending key mining conferences and meetings with investors.

Selected Quarterly Financial Information

The table below presents revenues, net income (loss) and net income (loss) per share for the last eight quarters:

Period ended	Revenues	Net income (loss)	Income (loss) per share
	$ 000	$ 000	$
March 31, 2018 (1)	0.0	(2,143.4)	(0.01)
December 31, 2017 (2)	0.0	(1,248.7)	(0.01)
September 30, 2017	0.0	(836.5)	(0.00)
June 30, 2017	0.0	(620.9)	(0.00)
March 31, 2017 (3)	0.0	(1,544.0)	(0.01)
December 31, 2016 (4)	0.0	6,443.8	0.04
September 30, 2016	0.0	(327.8)	(0.00)
June 30, 2016 (5)	0.0	386.9	(0.00)

1) *Includes exploration and evaluation expenses of $1,640,920, a bonus of $568,372 paid to the Company's chairman, stock-based compensation of $437,851 and a non-cash gain on foreign exchange of $1,096,676 resulting mostly from the settlement of an amount due to the Company's wholly-owned subsidiary in Guyana.*
2) *Includes exploration and evaluation expenses of $887,600.*
3) *Includes an adjustment of $736,030 to the compensation of the Company's chairman.*
4) *Includes a gain of $6,487,461 on the sale of the Matthews Ridge project.*
5) *Includes a gain of $548,888 on the sale of mobile equipment, service vehicles and other equipment.*

Liquidities and Capital Resources

At March 31, 2018, the Company had a working capital of $15,798,486 ($4,573,181 at March 31, 2017). The increase in the working capital during the year ended March 31, 2018 is mainly attributable to the completion of two private placements for total gross proceeds of $20,100,449, partially offset by share issue expenses of $522,026, the reimbursement of loans and accrued interest in the amount of $1,202,863 to the Company's executive chairman, property payments of $1,445,424, exploration and evaluation expenses of $3,022,067, management and administration expenses of $2,205,802 and the acquisition of property and equipment of $462,161, consisting mostly of an exploration camp and service vehicles.

On December 1, 2017, the Company completed a non-brokered private placement with Barrick and issued 48,000,000 common shares to Barrick at a price of $0.19 per share for total proceeds of $9,120,000 and in September 2017, the Company completed in two tranches a non-brokered private placement and issued 84,464,991 Units at a price of $0.13 per Unit for gross proceeds of $10,980,449. See *Financings* section for further detail.

Management of the Company believes that it has sufficient working capital to pay for its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for at least the next 12 months. The Company has recently entered into option agreements to acquire an interest in six gold projects located in the Guiana Shield. These agreements will require that certain payments be made and expenditures be incurred. The Company will need to raise funds in the future through the issuance of equity instruments or other arrangement to meet future work requirements. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that sources of funding or initiatives will be available to the Company or that they will be available when such funds are required.

Capital Management

The Company defines capital that it manages as shareholders' equity. When managing capital, the Company's objectives are a) to ensure the entity continues as a going concern; b) to increase the value of the entity's assets; and c) to achieve optimal returns to shareholders. These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. At March 31, 2018, managed capital totaled $17,772,236 ($3,422,892 at March 31, 2017).

The mineral projects in which the Company has an interest are currently in the exploration stage. As such, the Company is dependent on external financing to fund its activities. The amount and timing of additional funding will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There were no changes in the Company's approach to capital management during the year ended March 31, 2018. The Company is not subject to any externally imposed capital requirements at March 31, 2018.

Other Commitment and Contingency

The Company has entered into a long-term lease agreement for the rental of office space expiring in June 2020 which calls for minimum lease payments of $223,380, including $99,280 in each of 2019 and 2020 and $24,820 in 2021.

The agreements between the Company and its officers contain termination without cause and change in control provisions. Assuming that the Company's officers had all been terminated without cause or that a change in control had occurred on March 31, 2018, the total amount payable to the Company's officers would have totaled $974,170.

Off-Balance Sheet Arrangements

As of March 31, 2018, the Company has no off-balance sheet arrangements.

Other Related Party Transactions

During the year ended March 31, 2018, the Company was a party to separate agreements to provide administrative services to other TSXV-listed companies, related by virtue of common management, including Highland Copper Company Inc. and Odyssey Resources Limited. The services, which consist mainly of the provision of office space and telecommunication, are provided at cost for all direct expenses plus a fixed monthly charge to cover overhead expenses. Such amounts recovered for administrative services during the year ended March 31, 2018 totaled $171,136 ($188,681 in 2017). During the year ended March 31, 2018, the Company paid or accrued an amount of $157,637 ($128,336 in 2017) to Highland Copper Company Inc. for administrative and legal services, under a management services agreement dated January 1, 2016.

The remuneration awarded to directors and to senior key management, including the president and CEO and the CFO totalled $1,920,033 during the year ended March 31, 2018 ($1,157,789 in 2017).

Basis of Presentation of Financial Statements

The Company's consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. The accounting policies, methods of computation and presentation applied in the Company's consolidated financial statements are consistent with those of the previous year. The significant accounting policies of Reunion Gold are presented in Note 2 to the March 31, 2018 and 2017 consolidated financial statements filed on SEDAR.

Accounting standards issued but not yet applied

Standards, amendments and interpretations issued but not yet effective up to the date of the issuance of the Company's consolidated financial statements that are expected to be relevant to the Company are presented in Note 2 to the March 31, 2018 and 2017 consolidated financial statements filed on SEDAR.

Outstanding Share Data

The Company can issue an unlimited number of common shares, without par value. As at June 27, 2018, a total of 319,916,587 common shares are issued and outstanding, 45,032,495 share purchase warrants are exercisable at a price of $0.20 per share until October 2020 and 17,520,000 stock options are outstanding with exercise prices ranging between $0.07 and $0.16 and expiring between September 2018 and May 2023.

FINANCIAL RISK FACTORS

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include liquidity risk, interest rate risk, currency risk and credit risk. Where material, these risks are reviewed and monitored by the Board of Directors. There were no changes to the Company's financial objectives, policies and processes during the year ended March 31, 2018. The financial risks are described and presented in Note 15 to the March 31, 2018 and 2017 consolidated financial statements filed on SEDAR.

OTHER RISKS AND UNCERTAINTIES

The operations of the Company are highly speculative due to the high-risk nature and current stage of its business, which is the exploration and development of mineral properties. The risks and uncertainties described below are not necessarily the only ones that the Company could be facing. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified, actually occur, the Company's business, financial condition, results of operations and cash flows could be materially and adversely affected.

Requirement for additional financing

The Company has no history of earnings and does not expect to receive revenues from its core business in the foreseeable future, if ever. Historically, the Company has been dependent on the equity markets as its source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets, the status of the Company's projects in relation to these markets, and its ability to compete for investor support. The further development of the Company's projects and the Company's ability to meet the conditions to acquire an interest in its mineral projects depends upon the Company's ability to obtain financing through equity financing, debt financing, strategic partnership or other means. The junior exploration market is volatile and is sensitive to economic and political events as well as underlying commodity prices. There is no assurance that the Company will be able to obtain additional financing in the appropriate amount when required, and, if obtained, on terms favorable to the Company, to pursue the exploration and development of its projects.

Gold price volatility

Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as worldwide economic and political events. The exploration and development of the Company's projects and future financial results of the Company is dependent to a large extent on the market price of gold.

Exploration and mining risks

The Company's projects are in the exploration stage. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to identify mineral resources and mineral reserves, to develop metallurgical processes to extract the metal from mineral resources, and to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; metallurgical recoveries; the proximity and capacity of milling facilities; capital costs; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may adversely affect the development of a project and result in the Company not receiving an adequate return on invested capital.

Regulatory Requirements

Exploration, development and mining operations are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations. Failure to comply with the conditions set out in any permit or failure to comply with the applicable statutes and regulations may result in orders to cease or curtail operations or to install additional equipment.

Mineral rights

The Company has entered into agreements with various titleholders entitling the Company to conduct exploration activities and to acquire an interest in mineral rights under terms and conditions described in this MD&A. The Company does not currently own mineral rights to its projects in French Guiana and in Guyana.

In French Guiana, the mineral rights with respect to the Boulanger and Haute Mana are concessions (except for the Carapa permit) which are all expiring on December 31, 2018. Renewal applications have been filed and are pending. The Dorlin exploitation permit expired on July 30, 2015. A renewal application was filed in 2015 and is still pending. 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. Although applications for renewal have been filed, there is no guarantee that such concessions and permit will be renewed.

In Guyana, the mineral rights with respect to the Waiamu, Arawini and Aremu projects are medium-scale prospecting or mining permits intended exclusively for Guyanese. The mineral rights will need to be converted to large scale permits before they can be acquired by the Company.

Environmental risk

The Company may be subject to potential risks and liabilities associated with various environmental incidents including pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production. To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Company.

Foreign Operations and Political Risk

The Company's mineral assets are located in French Guiana, an overseas department of France, and in Guyana, and, as such, are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties may include, but are not limited to: fluctuations in currency exchange rates; high rates of inflation; labour unrest; renewal of or securing all of concessions, licenses, permits and authorization required to conduct exploration and development of mineral projects; illegal mining; corruption; changes in taxation policies; restrictions on foreign exchange and repatriation; and social unrest. Changes, if any, in mining or investment policies or shifts in political attitude in French Guiana and / or Guyana may adversely affect the operations or future profitability of the Company.

French Guiana has no history or tradition of large-scale commercial mining. Regulatory risk may increase as projects become more advanced and applications are made for all of the various permits required to develop a modern mining operation. This risk includes regulatory-related delays and/or failures to receive required permits.

Currency Exposure

The Company's operations are subject to foreign currency fluctuations including Euros and US dollars. Such fluctuations may materially affect the Company's financial position and results of operations.

Dilution

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or securities convertible into common shares and this would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Competition

The Company's business is intensely competitive and the Company will compete with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for mineral rich properties which can be developed and can produce economically; the technical expertise required to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Conflicts of Interest

A majority of the Company's directors and officers serve as directors or officers of other natural resource companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program or transaction and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

CAUTIONARY NOTE REGARDING FORWARD INFORMATION

This MD&A contains "forward-looking information", within the meaning of Canadian securities laws. Generally, forward-looking information or statements can be identified by the use of forward-looking terminology such as "plans", "expects", "budget", "scheduled", "estimates", "intends", "anticipates" or "believes", or variations of such words or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is not historical facts. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by the forward-looking information for various reasons discussed throughout this MD&A, and particularly in the sections entitled "*Financial Risk Factors*" and "*Other Risks and Uncertainties*". The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information or future events or otherwise, except as may be required by law. Accordingly, readers should not place undue reliance on forward-looking information.

Additional Information and Continuous Disclosure

This MD&A has been prepared as at June 27, 2018. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com) and on the Company's website (www.reuniongold.com).