REUNION
GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2nd Quarter ended September 30, 2015

In Canadian dollars

UNAUDITED

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Reunion Gold Corporation have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

Reunion Gold Corporation

Condensed Interim Consolidated Statements of Financial Position

(unaudited, in Canadian dollars)	September 30, 2015	March 31, 2015
	$	$
ASSETS		
Current		
Cash	**31,820**	73,713
Sales taxes receivable	**43,980**	41,743
Prepaid expenses and others	**22,879**	73,153
	98,679	188,609
Non-current		
Performance bond	**154,802**	146,926
Exploration and evaluation assets (Note 3)	**632,905**	891,192
TOTAL ASSETS	**886,386**	1,226,727
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**1,281,812**	968,629
Due to related parties (Note 11)	**11,799**	21,385
Loans from related parties (Note 4)	**1,568,535**	1,483,473
TOTAL LIABILITIES	**2,962,146**	2,473,487
EQUITY (DEFICIT)		
Share capital (Note 5)	**101,477,165**	101,477,165
Equity component of convertible loans	**17,935**	17,935
Contributed surplus	**14,411,085**	14,411,085
Deficit	**(117,939,481)**	(117,218,216)
Cumulative translation adjustment	**57,536**	65,271
TOTAL EQUITY (DEFICIT)	**(1,975,760)**	(1,246,760)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	**886,386**	1,226,727

Going concern (Note 1)

Commitments (Notes 3 and 10)

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

On behalf of the Board,

/s/ James Crombie
James Crombie, Director

/s/ Loraine Oxley
Loraine Oxley, Director

Reunion Gold Corporation
Condensed Interim Consolidated Statements of Comprehensive Income

(unaudited, in Canadian dollars)	**2nd Quarter ended September 30, 2015**	2014	**Six months ended September 30, 2015**	2014
	$	$	**$**	$
Expenses and other items				
Exploration (Note 7)	**289,958**	514,950	**567,681**	1,215,281
Management and administration (Note 8)	**96,038**	274,839	**68,870**	663,471
Share-based remuneration	**-**	-	**-**	6,329
Finance expense on loans from related parties (Note 4)	**30,210**	36,745	**67,796**	80,864
Finance income	**(2)**	(88)	**(44)**	(638)
Loss (gain) on foreign exchange	**20,875**	(1,771)	**16,962**	7,790
Net loss for the period	**(437,079)**	(824,675)	**(721,265)**	(1,973,097)
Other comprehensive income				
Item that will not be subsequently reclassified to income				
Foreign currency translation adjustment	**1,760**	78,642	**(7,735)**	10,509
Comprehensive loss for the period	**(435,319)**	(746,033)	**(729,000)**	(1,962,588)
Basic and diluted loss per common share	**(0.00)**	(0.00)	**(0.00)**	(0.01)
Weighted average number of common shares - basic and diluted	**180,317,936**	180,317,936	**180,317,936**	180,317,936

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

Reunion Gold Corporation

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(unaudited, 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, 2015	180,317,936	101,477,165	17,935	14,411,085	(117,218,216)	65,271	(1,246,760)
Net loss for the period	**-**	**-**	**-**	**-**	**(721,265)**		**(721,265)**
Other comprehensive income							
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**-**	**(7,735)**	**(7,735)**
Balance at September 30, 2015	**180,317,936**	**101,477,165**	**17,935**	**14,411,085**	**(117,939,481)**	**57,536**	**(1,975,760)**
Balance at March 31, 2014	180,317,936	101,477,165	17,935	14,404,756	(113,664,548)	(14,583)	2,220,725
Share-based remuneration	-	-	-	6,329	-	-	6,329
Net loss for the period	-	-	-	-	(1,973,097)	-	(1,973,097)
Other comprehensive income							
Foreign currency translation adjustment	-	-	-	-	-	10,509	10,509
Balance at September 30, 2014	180,317,936	101,477,165	17,935	14,411,085	(115,637,645)	(4,074)	264,466

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

Reunion Gold Corporation
Condensed Interim Consolidated Statements of Cash Flows

	Six months ended September 30,	
(unaudited, in Canadian dollars)	**2015**	2014
	$	$
OPERATING ACTIVITIES		
Net loss for the period	**(721,265)**	(1,973,097)
Adjustments		
Share-based remuneration	**-**	6,329
Depreciation and amortization	**278,582**	818,150
Finance expense on loans from related parties	**67,796**	80,864
Gain on disposal of exploration and evaluation assets	**(40,910)**	(173,001)
Changes in working capital items		
Prepaid expenses and others	**51,424**	96,205
Accounts payable and accrued liabilities	**274,069**	(68,421)
Due to related parties	**(9,586)**	-
	(99,890)	(1,212,971)
INVESTING ACTIVITIES		
Additions to exploration and evaluation assets	**-**	(128,409)
Proceeds on disposal of exploration and evaluation assets	**52,817**	250,257
	52,817	121,848
Effect of exchange rate changes on cash held in foreign currency	**5,180**	4,910
Net change in cash	**(41,893)**	(1,086,213)
Cash, beginning of period	**73,713**	1,468,504
Cash, end of period	**31,820**	382,291
Supplemental cash flow information		
Finance income received, included in operating activities	**42**	1,014

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

1. GENERAL INFORMATION AND GOING CONCERN

Reunion Gold Corporation ("Reunion Gold") is a Canadian-based company. Reunion Gold and its subsidiaries (together the "Company") are primarily engaged in the acquisition, exploration and development of mineral properties. To date, the Company has not earned significant revenue. The Company, through Reunion Manganese Inc. ("RMI"), its wholly-owned indirect subsidiary, holds four Prospecting Licences ("PLs") for manganese, which includes the Matthews Ridge project, located in the North West District of Guyana, South America. All financial results in these unaudited condensed interim consolidated financial statements are expressed in Canadian dollars unless otherwise indicated. Reunion Gold's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol RGD. The Board of Directors approved these unaudited condensed interim consolidated financial statements on November 23, 2015.

Going concern

The Company is at the exploration and development stage and as is common with many such companies, it raises funds on the equity market to conduct its activities. The Company has incurred a loss in the current and prior periods, with a net loss of $721,265 during the six months ended September 30, 2015 and an accumulated deficit of $117,939,481 at September 30, 2015. The Company has a working capital deficit of $2,863,467 at September 30, 2015, including loans from related parties of $1,568,535, which become due on June 30, 2016 (Note 4). The Company requires additional funds to meet all of its obligations, to provide for management and administration expenses for at least the next 12 months and to ensure the Company's ability to continue as a going concern. Such funding requirement may be met in the future in a number of ways, including but not limited to, the sale of certain assets, the issuance of equity, joint venture arrangements or other means. There is no assurance that such additional funds can be raised even if the Company has been successful in the past in doing so. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not reflect any adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these condensed interim consolidated financial statements, adjustments to the carrying values of assets and liabilities and statement of financial position classification, which could be material, may be necessary.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and follow the same accounting policies as the Company's most recent annual consolidated financial statements. These condensed interim consolidated financial statements do not contain all of the information and disclosures required for annual financial statements, and should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended March 31, 2015 and 2014 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Significant accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual results could differ significantly from those estimates. The most significant estimate relates to the depreciation and amortization of exploration and evaluation assets. The most significant judgements relate to the impairment of exploration and evaluation assets and the preparation of these condensed interim consolidated financial statements on a going concern basis.

September 30, 2015 (unaudited - in Canadian dollars)

3. EXPLORATION AND EVALUATION ASSETS

	Mineral properties	Intangible assets	Mobile equipment and service vehicles	Other mining equipment	Computer equipment, leasehold improvements and furniture	Total
	$	$	$	$	$	$
Balance at March 31, 2015	319,917	-	563,206	-	8,069	891,192
Disposals	**-**	**-**	**(11,907)**	**-**	**-**	**(11,907)**
Depreciation and amortization	**-**	**-**	**(274,362)**	**-**	**(4,220)**	**(278,582)**
Net exchange differences	**16,811**	**-**	**15,391**	**-**	**-**	**32,202**
Balance at September 30, 2015	**336,728**	**-**	**292,328**	**-**	**3,849**	**632,905**

Balance at March 31, 2014	346,831	47,607	1,272,617	627,450	96,014	2,390,519
Additions	127,268	-	-	-	1,141	128,409
Disposals	-	-	(57,163)	(9,609)	(10,484)	(77,256)
Depreciation and amortization	-	(28,465)	(355,855)	(379,774)	(54,056)	(818,150)
Net exchange differences	7,968	(128)	5,597	(2,231)	(553)	10,653
Balance at September 30, 2014	482,067	19,014	865,196	235,836	32,062	1,634,175

Mineral properties

The Company is required to make annual rental payments to the Government of Guyana related to the four (4) PLs awarded to the Company on September 6, 2010. The PLs were granted for an initial period of three years and were renewable for two additional periods of one year each. The Company has paid the annual rental fees through September 2014 and has accrued an amount of $112,410 (US$90,000) for the 2nd additional period ended September 5, 2015. Subject to the approval and at the discretion of the Minister responsible of the Guyana Mining Act, the PLs can be renewed for additional terms. Prior to the expiry of the second one-year extension of the PLs, RMI applied for an additional one-year extension. The approval of the extension application is pending. There can be no assurance that the extension will be approved. A performance bond in the amount of $154,802 (US $116,000) was posted with the Government of Guyana on September 6, 2010.

September 30, 2015 (unaudited - in Canadian dollars)

4. LOANS FROM RELATED PARTIES

Loans from two of the Company's executive officers are composed of the following:

	September 30, 2015	March 31, 2015
	$	$
Convertible Notes (Loans 1)	**1,007,000**	1,007,000
Accrued interest on Convertible Notes	**226,575**	166,156
Deferred bonus payments (Loans 2)	**253,320**	253,320
Accrued interest on deferred bonus payments	**81,640**	56,997
	1,568,535	1,483,473

Finance expense during the period is composed of the following items:

	2nd Quarter ended September 30,		**Six months ended September 30,**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Finance expense	**30,210**	36,745	**67,796**	73,466
Accretion of the liability component of the Convertible Notes	**-**	-	**-**	7,398
	30,210	36,745	**67,796**	80,864

On June 30, 2015, the lenders agreed to postpone the date on which they are entitled to demand repayment of Loans 1 and 2 from June 30, 2015 to June 30, 2016. Also, the parties agreed that interest on Loans 2 will cease to accrue after June 30, 2015. All other terms and conditions under the loan agreements remain unchanged.

Loans 1 bear interest at the rate of 1% per month until maturity. The outstanding principal and accrued interest are repayable by the Company on the earlier of the completion of a financing for a minimum amount of $5 million or upon demand at any time after June 30, 2016, either in cash or in common shares of the Company, at the option of the holder. The conversion price for the outstanding principal of Loans 1 is $0.14 per share, and the conversion price of the accrued interest on Loans 1 will be equal to the market price of the Company's shares at the time of conversion, if such election is made. The Company has the right to redeem Loans 1 at any time.

The principal amount of Loans 2 as well as accrued interest (up to June 30, 2015 as interest on Loans 2 ceased to accrue after June 30, 2015) can be repaid by the Company at any time without penalty but no later than three business days after the completion of a financing for a minimum amount of $5 million. The payment of Loans 2 as well as accrued interest may be demanded in full by the lenders at any time after June 30, 2016.

September 30, 2015 (unaudited - in Canadian dollars)

5. SHARE CAPITAL

At September 30, 2015 and March 31, 2015, the Company had 180,317,936 issued and outstanding common shares and no outstanding share purchase warrants. No securities were issued during the six months ended September 30, 2015.

6. STOCK OPTIONS

The following table sets out the activity in stock options:

	Six months ended September 30, 2015		Six months ended September 30, 2014	
	Number	**Weighted average exercise price ($)**	Number	Weighted average exercise price ($)
Options, beginning of period	**12,015,000**	**0.95**	12,015,000	0.95
Expired	**(3,700,000)**	**(0.30)**	-	(0.78)
Options, end of period	**8,315,000**	**1.24**	12,015,000	0.95

The following table reflects the stock options issued and outstanding at September 30, 2015:

Issue date	Number of options	Exercise price	Remaining contractual life	Number of options exercisable
		$	Years	
April 27, 2011	3,000,000	2.00	0.6	3,000,000
June 22, 2011	765,000	1.67	0.8	765,000
July 4, 2011	75,000	1.59	0.8	75,000
August 22, 2011	100,000	1.28	0.9	100,000
November 2, 2011	250,000	1.00	1.1	250,000
November 14, 2011	1,000,000	1.00	1.1	1,000,000
April 12, 2012	1,875,000	0.73	1.5	1,875,000
September 18, 2013	1,250,000	0.13	3.0	1,250,000
	8,315,000	1.24	1.3	8,315,000

September 30, 2015 (unaudited - in Canadian dollars)

7. EXPLORATION EXPENSES

	2nd Quarter ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits	**150,333**	150,803	**302,123**	343,964
Camp costs	**6,686**	18,810	**25,953**	41,619
Contractors and consultants	**1,935**	3,273	**7,474**	26,428
Studies	**-**	14,168	**-**	38,490
Freight, travel and transport	**8,350**	39,797	**12,334**	59,735
Income from the rental of equipment	**-**	-	**(32,395)**	-
Others	**20,613**	(18,655)	**18,740**	69,502
	187,917	208,196	**334,229**	579,738
Depreciation and amortization	**134,001**	377,899	**274,362**	808,544
Gain on disposal of exploration and evaluation assets	**(31,960)**	(71,145)	**(40,910)**	(173,001)
	289,958	514,950	**567,681**	1,215,281

8. MANAGEMENT AND ADMINISTRATION EXPENSES

	2nd Quarter ended September 30,		Six months ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits (1)	**171,245**	348,148	**193,979**	674,568
Contractors and consultants	**14,335**	17,934	**28,720**	51,292
Office	**73,432**	89,442	**148,220**	182,505
Professional fees	**6,193**	13,563	**44,143**	70,602
Investor relations and travel	**6,367**	8,174	**7,656**	66,461
Reporting issuer costs	**4,764**	3,487	**6,384**	8,297
Recovery of expenses (Note 11)	**(181,662)**	(210,639)	**(364,452)**	(399,860)
	94,674	270,109	**64,650**	653,865
Depreciation and amortization	**1,364**	4,730	**4,220**	9,606
	96,038	274,839	**68,870**	663,471

(1) On August 26, 2015, the Company's CEO agreed to a reduction in his annual base compensation from US$300,000 to US$50,000 effective October 1, 2014. The Company accounted for the net impact of this reduction (in the amount of $234,000) during the 1st Quarter ended June 30, 2015.

September 30, 2015 (unaudited - in Canadian dollars)

9. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. Non-current assets are located as follows:

			September 30, 2015
	Guyana	**Canada**	**Total**
	$	**$**	**$**
Performance bond	**154,802**	**-**	**154,802**
Exploration and evaluation assets	**629,057**	**3,848**	**632,905**
	783,859	**3,848**	**787,707**

			March 31, 2015
	Guyana	Canada	Total
	$	$	$
Performance bond	146,926	-	146,926
Exploration and evaluation assets	883,123	8,069	891,192
	1,030,049	8,069	1,038,118

10. OTHER COMMITMENTS

The Company has entered into a long-term lease agreement expiring in June 2017 which calls for lease payments of $173,740 for the rental of office space. Minimum lease payments are $49,640 in 2016, $99,280 in 2017 and $24,820 in 2018.

September 30, 2015 (unaudited - in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

The detail of transactions between the Company and its related parties, in addition to those transactions described in Note 4, are as follows:

Companies under common management

The Company has entered into separate agreements to provide management and administration services to other TSXV-listed companies, related by virtue of common directors and management, including Avala Resources Ltd., Highland Copper Company Inc. and Odyssey Resources Limited. The services are provided at cost for all direct expenses plus a fixed monthly charge to cover overhead expenses. Amounts recovered for management and administration services during the 2nd Quarter and the six months ended September 30, 2015 totaled $181,662 and $364,452, respectively ($210,639 and $399,860 during the 2nd Quarter and the six months ended September 30, 2014, respectively). At September 30, 2015, the Company had an amount due to companies under common management of $11,799 ($21,385 at March 31, 2015). Amounts receivable and/or due are non-interest bearing and are due within 30 days of invoice date.

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.

Remuneration of directors and key management of the Company

The remuneration awarded to directors and to senior key management, including the executive chairman, the president and chief executive officer, the chief operating officer and the chief financial officer, is as follows:

	2nd Quarter ended September 30,		**Six months ended September 30,**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits (1)	**111,842**	246,729	**68,038**	491,917
Consulting fees	**7,500**	4,500	**13,500**	22,750
Share-based remuneration	**-**	-	**-**	6,329
	119,342	251,229	**81,538**	520,996

(1) This amount includes the adjustment to the annual base compensation of the Company's CEO described in Note 8.

REUNION
GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

2nd Quarter ended September 30, 2015

REUNION GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE 2ND QUARTER ENDED SEPTEMBER 30, 2015

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Reunion Gold Corporation ("Reunion Gold" or the "Company"), dated November 23, 2015, covers the 2nd Quarter ended September 30, 2015 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the 2nd Quarter ended September 30, 2015 (the "September 30, 2015 condensed interim consolidated financial statements"). Readers should also refer to the Company's MD&A for the year ended March 31, 2015, including the description of risks and uncertainties, and the audited consolidated financial statements for the years ended March 31, 2015 and 2014. 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 engaged in the exploration and development of mineral projects. The Company through Reunion Manganese Inc. ("RMI"), its wholly-owned indirect subsidiary, holds four prospecting licenses ("PLs"), which includes the Matthews Ridge manganese project located in the North West District of Guyana, South America (the "Matthews Ridge Project"). Reunion Gold's financial year-end is March 31 and its common shares trade on the TSX Venture Exchange ("TSXV") under the symbol RGD.

FINANCIAL CONDITION

The Company is in the exploration and development stage and has no source of revenue. At September 30, 2015, the Company has a working capital deficit of $2,863,467 (including loans from two of the Company's executive officers of $1,568,535 that become due on June 30, 2016). The Company's working capital deficit creates uncertainty regarding its ability to continue operations as a going concern. The Company's ability to continue operations is dependent on securing financing necessary to settle its current working capital deficit, to fund its existing commitments, including payments to maintain the Matthews Ridge PLs in good standing, to conduct minimum exploration and evaluation programs, and to pay for general and administration expenses for at least the next 12 months.

The Matthews Ridge Project is currently on care and maintenance while the Company is evaluating different financing options, including the sale of certain assets, the issuance of securities, partnership, joint venture or other arrangements. Given the economic slowdown in Asia and other parts of the world, the demand for steel and related products including manganese has dropped significantly. This, and other economic factors, has had and continues to have a direct impact on the market price of manganese and, combined with a depressed equity market for junior mining companies, makes it difficult to finance the development of manganese projects such as Matthews Ridge. 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 these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company.

If management is unable to obtain new funding, the Company will be required to further delay the development of the Matthews Ridge Project and may be unable to continue its operations.

MATTHEWS RIDGE PROJECT

Mineral interest

The Matthews Ridge Project consists of four PLs initially granted to RMI in September 2010 for a period of three years. RMI subsequently applied for two one-year extensions in accordance with the Guyana Mining Act (the "Act"). Subject to the approval and at the discretion of the Minister responsible for the Act, the PLs can be renewed for additional terms. The second one-year extension of the PLs expired in September 2015 but prior to their expiry, RMI applied for an additional one-year extension. The approval of the extension application is pending. There can be no assurance that the extension will be approved.

Overview on activities

The Matthews Ridge Project is currently on care and maintenance. The Company has not carried out any field activities during the six months ended September 30, 2015 and all exploration and development activities have been suspended until such time as the Company has secured its funding requirements.

The Company's priorities for the current financial year is to preserve its rights in Matthews Ridge by obtaining an extension of the PLs and to evaluate various options to fund ongoing obligations and studies required to develop its manganese resource.

***CONSOLIDATED FINANCIAL INFORMATION** (1) (2)*

Financial Position	September 30, 2015	March 31, 2015
	$	$
Cash	**31,820**	73,713
Exploration and evaluation assets	**632,905**	891,192
Total assets	**886,386**	1,226,727
Shareholders' equity (deficit)	**(1,975,760)**	(1,246,760)

Comprehensive Income	2nd Quarter ended September 30, 2015	2014	Six months ended September 30, 2015	2014
	$	$	$	$
Exploration expenses	**289,958**	514,950	**567,681**	1,215,281
Management and administration expenses	**96,038**	274,839	**68,870**	663,471
Share-based remuneration	**-**	-	**-**	6,329
Finance income	**(2)**	(88)	**(44)**	(638)
Finance expense on loans from related parties	**30,210**	36,745	**67,796**	80,864
Loss (gain) on foreign exchange	**20,875**	(1,771)	**16,962**	7,790
Net loss for the period	**(437,079)**	(824,675)	**(721,265)**	(1,973,097)
Basic and diluted loss per share	**(0.00)**	(0.00)	**(0.00)**	(0.01)
Cash flows				
Operating activities			**(99,890)**	(1,212,971)
Investing activities			**52,817**	121,848
Financing activities			**-**	-

(1) The Selected Consolidated Financial Information was derived from the Company's September 30, 2015 condensed interim consolidated financial statements, prepared in accordance with IFRS.

(2) The Company's September 30, 2015 condensed interim 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. The Company's September 30, 2015 condensed interim consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material (see Financial Condition section).

Since its incorporation, the Company has not paid any cash dividend on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and any other factor that the board may deem necessary to consider. It is highly unlikely that any dividend will be paid in the near future.

Results of operation for the 2nd Quarter ended September 30, 2015

During the 2nd Quarter ended September 30, 2015, the Company incurred a net loss of $437,079 (nil per share) compared to a net loss of $824,675 (nil per share) during the 2nd Quarter ended September 30, 2014.

The reduced net loss during the current period resulted mostly from lower exploration and management and administration expenses in order to conserve cash. Exploration expenses for the 2nd Quarter ended September 30, 2015 consisted of salaries of $150,333 ($150,803 in 2014), other expenses of $37,584 ($57,393 in 2014) and non-cash items of $102,041 ($306,754 in 2014), including depreciation and amortization of $134,001 ($377,899 in 2014) offset by a gain on disposal of exploration equipment of $31,960 ($71,145 in 2014). Management and administration expenses for the 2nd Quarter ended September 30, 2015 totaled $96,038 compared to $274,839 in 2014. The reduced management and administration expenses is mostly due to the impact of the reduction of the annual base compensation of the Company's executive chairman and president and chief executive officer from US$300,000 to US$50,000, effective October 1, 2014.

Results of operation for the six months ended September 30, 2015

During the six months ended September 30, 2015, the Company incurred a net loss of $721,265 (nil per share) compared to a net loss of $1,973,097 ($0.01 per share) during the six months ended September 30, 2014.

The reduced net loss during the current period resulted mostly from lower exploration and management and administration expenses in order to conserve cash. Exploration expenses for the six months ended September 30, 2015 consisted of salaries of $302,123 ($343,964 in 2014), studies of nil ($38,490 in 2014), other expenses of $64,501 ($197,284 in 2014) offset by income from the rental of equipment of $32,395 (nil in 2014) and non-cash items of $233,452 ($635,543 in 2014), including depreciation and amortization of $274,362 ($808,544 in 2014) offset by a gain on disposal of exploration equipment of $40,910 ($173,001 in 2014). Management and administration expenses for the six months ended September 30, 2015 totaled $68,870 compared to $663,471 in 2014. The expenses during the current period reflect a credit adjustment of $234,000 following the agreement entered into on August 26, 2015 with the Company's CEO to reduce his annual base compensation from US$300,000 to US$50,000 effective October 1, 2014 (the net impact of this adjustment was accounted for during the 1st Quarter ended June 30, 2015) and lower salaries due to the impact of the reduction of the annual base compensation of the Company's executive chairman and president and chief executive officer from US$300,000 to US$50,000 effective October 1, 2014. The non-renewal of an investor relations program and lower professional fees also contributed to the lower management and administrative expenses.

Selected Quarterly financial Information

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

Period ended	Revenues	Net income (loss)	Income (loss) per share
	$ 000	$ 000	$
September 30, 2015	0.0	(437.1)	(0.00)
June 30, 2015	0.0	(284.2)	(0.00)
March 31, 2015	0.0	(663.6)	(0.00)
December 31, 2014	0.0	(917.0)	(0.01)
September 30, 2014	0.0	(824.6)	(0.00)
June 30, 2014	0.0	(1,148.4)	(0.01)
March 31, 2014	0.1	(1,598.9)	(0.01)
December 31, 2013	0.3	(1,743.9)	(0.01)

Liquidities and Capital Resources

The Company has a working capital deficit of $2,863,467 at September 30, 2015, including loans from related parties of $1,568,535 (a working capital deficit of $2,284,878 at March 31, 2015, including loans from related parties of $1,483,473). The decrease in working capital during the six months ended September 30, 2015 is mainly attributable to lower exploration and management and administration expenses.

On June 30, 2015, the Company's two executive officers agreed to postpone the date on which they are entitled to demand repayment of the loans to June 30, 2016. The Company's directors and senior executives also agreed to defer the payment of their compensation until the Company completes a financing.

The Company needs to raise additional funds to settle its working capital deficit, to pursue exploration work on its mineral projects and to provide for management and administration expenditures for at least the next 12 months. Such additional funds may be obtained in the future in a number of ways including, but not limited to, the issuance of new equity, joint venture arrangement or other means. The amount and timing of additional funding will depend in part upon the prevailing capital market conditions, the demand for manganese as well as the Company's ability to obtain the renewal of its PLs. 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 these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. The Company's ability to continue operations also depends on the continued financial support from its senior officers.

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 September 30, 2015, managed capital consisted of a deficit of $1,975,760 (a deficit of $1,246,760 at March 31, 2015). There were no changes in the Company's approach to capital management during the six months ended September 30, 2015. The Company is not subject to any externally imposed capital requirements at September 30, 2015. The Company requires further financing to settle its accounts payable and accrued liabilities at September 30, 2015 and to ensure the continued activities of the Company (see *Financial Condition* and *Liquidities and Capital resources* sections).

Commitments

The Company is required to make annual rental payments to the Government of Guyana based on the anniversary of the grant of the PLs. The Company has paid the annual rental fees through September 2014 and has accrued an amount of $112,410 (US $90,000) as rent for the second one-year extension ending in September 2015.

The Company has entered into long-term lease agreements expiring in July 2017 which calls for minimum lease payments of $173,740 for the rental of office space. Minimum lease payments are $49,640 in 2016, $99,280 in 2017 and $24,820 in 2018.

Off-Balance Sheet Arrangements

As of September 30, 2015, the Company has no off-balance sheet arrangements.

Other Related Party Transactions

The Company has entered into separate agreements to provide management and administration services to other TSXV-listed companies, related by virtue of common directors and management, including Avala Resources Ltd., Odyssey Resources Limited and Highland Copper Company Inc. The services are provided at cost for all direct expenses plus a fixed monthly charge to cover overhead expenses. During the 2nd Quarter and the six months ended September 30, 2015, the Company recovered an amount of $181,662 and $364,452, respectively ($210,639 and $399,860 during the 2nd Quarter and the six months ended September 30, 2014, respectively) from companies under common management. At September 30, 2015, the Company had an amount due to companies under common management of $11,799 ($21,385 at March 31, 2015). Amounts due are non-interest bearing and are due within 30 days of invoice date.

B*ook value of Mineral Properties*

At the end of each period, management reviews impairment indicators related to its mineral properties and other exploration and evaluation assets subject to amortization to determine whether any write-down is necessary. Following this analysis, no write-down was deemed necessary at September 30, 2015.

Outstanding Share Data

The Company can issue an unlimited number of common shares, without par value. As at November 23, 2015, a total of 180,317,936 common shares are issued and outstanding and 8,315,000 stock options are outstanding with exercise prices ranging between $0.13 and $2.00 and expiring between September 2015 and September 2018.

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. 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 six months ended September 30, 2015.

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 (see *Financial Condition* section). Accounts payable and accrued liabilities of $1,281,812 at September 30, 2015 include compensation due to the Company's directors and senior executives of $408,275 who have agreed to defer payments until the Company completes a financing. Other accounts payable and accrued liabilities are due within the next three months. The repayment of the loans from related parties of $1,516,865 is due after June 30, 2016.

Interest rate risk

A portion of the loans from related parties bear interest at a fixed rate of 1% per month. Interest rate movements may affect the fair value of this portion of loans from related parties. Because this liability is recognized at amortized cost the fair value variation has no impact on profit or loss.

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 exploration activities are mainly denominated in Guyanese dollars and United States dollars. At September 30, 2015, assets and liabilities denominated in a foreign currency consisted of cash of $1,611 ($850 at March 31, 2015), accounts payable and accrued liabilities of $686,380 ($445,781 at March 31, 2015) and a portion of the loans from related parties of $334,960 ($310,317 at March 31, 2015). 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 June 30, 2015 would be approximately $102,000 ($75,500 at March 31, 2015).

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. Other risks and uncertainties are discussed in the Company's MD&A for the year ended March 31, 2015. If any of the risks identified by the Company 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.

Dependence on one mineral project. The Company's only mineral project is the Matthews Ridge manganese project which consists of four prospecting licenses. These licenses expired in September 2015. The renewal of the licenses is subject to the approval of the Minister in charge of the Guyana Mining Act. The Company has applied for a one year extension but there is no assurance that the PLs will be renewed. The non-renewal of the PLs would have a material adverse effect on the Company's share price, financial position, and future prospects.

Financial risk and requirement for additional financing. The Company has no history of earnings and has limited financial resources. The Company has a working capital deficit and there is a risk that the Company will not be able to meet its financial obligations as they fall due. The Company does not expect to receive revenues from its core business in the foreseeable future, if at all. 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 project 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. Given the recent decline in the price of manganese, the state of capital market for speculative investment opportunities such as mineral projects, and the uncertainties related to the renewal of the Company's PLs, there is no assurance that the Company will be able to obtain additional financing in the appropriate amount, and, if obtained, on terms favorable to the Company, to continue the development and exploration of its project.

Manganese price. The development of the Matthews Ridge Project and future financial results of the Company is dependent to a large extent on the market price of manganese. The price of manganese has declined significantly in recent years and may continue to decline. This could result in a reduction in the Company's ore reserves and resources and a re-evaluation of the economics of the Matthews Ridge Project and could result in further delay or deferral of the development of the Matthews Ridge Project.

Mineral reserves and resources. The mineral reserves and resources reported by the Company are estimates only and no assurance can be given that any particular level of recovery of manganese will in fact be realized or that an identified mineral deposit will ever qualify as a commercially viable ore body which can be economically exploited. Any material change in the quantity of mineralization, grade, mineral prices, metal recoveries, costs or other assumptions used to calculate mineral reserves and resources may affect the economic viability of the Matthews Ridge Project.

Exploration and mining risks. The Company's Matthews Ridge project is in the exploration and development stages. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to increase the 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; the proximity and capacity of milling facilities; 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 accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Regulatory requirements. Mining operations, development and exploration activities 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.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A may contain "forward-looking information", within the meaning of Canadian securities laws. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". 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.

Specifically, this MD&A includes, but is not limited to, forward-looking information regarding: the Company's expectations about the renewal of the Matthews Ridge prospecting licences; plans to complete a financing or other arrangement to fund the Company; plans to complete additional studies to evaluate and find the best option to develop Matthews Ridge; the Matthews Ridge resource and reserves estimates and results of the pre-feasibility study based on assumptions that may no longer be current; and statements relating to the financial and business prospects of the Company.

There can be no assurance that such forward looking information will prove to be accurate and actual results could differ materially from those suggested by these forward-looking information for various reasons. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Additional Information and Continuous Disclosure

This MD&A has been prepared as at November 23, 2015. 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).