



## **CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended  
December 31, 2023 and 2022**

In Canadian dollars

## Independent Auditor's Report

To the Shareholders of  
Reunion Gold Corporation

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### Opinion

We have audited the consolidated financial statements of Reunion Gold Corporation (hereafter "the Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### **Information other than the consolidated financial statements and the auditor's report thereon**

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nancy Wolfe.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal  
April 25, 2024

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<sup>1</sup> CPA auditor, public accountancy permit no. A120795

# Reunion Gold Corporation

## Consolidated Statements of Financial Position

<i>(audited, in Canadian dollars)</i>		December 31, 2023	December 31, 2022
	Notes	\$	\$
<b>ASSETS</b>			
Current			
Cash and cash equivalents	4	42,311,994	43,506,690
Term deposits	4	30,000,000	-
Interest receivable	4	523,177	280,233
Sales taxes receivable		223,684	60,924
Other receivables		30,527	7,815
Prepaid expenses and deposits		967,849	387,805
		<b>74,057,231</b>	44,243,467
Non-current			
Property and equipment	6	1,505,852	1,268,144
Exploration and evaluation assets	7	1,218,068	1,240,583
<b>TOTAL ASSETS</b>		<b>76,781,151</b>	46,752,194
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities		6,000,843	3,776,568
Payable to Barrick		-	164,924
Current portion of lease liabilities	8	201,671	185,131
		<b>6,202,514</b>	4,126,623
Non-current			
Lease liabilities	8	423,362	540,018
<b>TOTAL LIABILITIES</b>		<b>6,625,876</b>	4,666,641
<b>EQUITY</b>			
Share capital	10	302,345,362	213,395,213
Contributed surplus		30,224,221	28,354,422
Deficit		(260,979,564)	(198,280,631)
Cumulative translation adjustment		(1,434,744)	(1,383,451)
<b>TOTAL EQUITY</b>		<b>70,155,275</b>	42,085,553
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>76,781,151</b>	46,752,194

Commitments (Note 20) and Events after the reporting date (Notes 7 and 21).

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

On behalf of the Board,

/s/ Richard Howes  
Richard Howes, Director

/s/ Elaine Bennett  
Elaine Bennett, Director

# Reunion Gold Corporation

## Consolidated Statements of Comprehensive Loss

<i>(audited, in Canadian dollars)</i>	Notes	Years ended December 31,	
		2023	2022
		\$	\$
<b>Expenses and other items</b>			
Exploration and evaluation	12	49,389,411	22,420,070
Management and administration	13	5,861,833	3,522,548
Share-based compensation	11	5,418,827	2,947,475
Write-off of exploration and evaluation assets	7	-	1,578,414
Depreciation and amortization	6	549,571	352,190
Accretion	8	77,811	32,289
Finance income		(2,253,013)	(1,018,154)
Settlement of a contingent consideration	14	-	(3,060,307)
Loss (gain) on foreign exchange		114,535	(107,085)
<b>Net loss for the year</b>		<b>(59,158,975)</b>	<b>(26,667,440)</b>
Other comprehensive loss			
Item that will be subsequently reclassified to income			
Foreign currency translation adjustment		(51,293)	(171,075)
<b>Comprehensive loss for the year</b>		<b>(59,210,268)</b>	<b>(26,838,515)</b>
Basic and diluted loss per common share	15	(0.06)	(0.03)
Weighted average number of common shares - basic and diluted		1,073,223,572	889,999,341

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

# Reunion Gold Corporation

## Consolidated Statements of Changes in Equity

<i>(audited, in Canadian dollars)</i>	Number of issued and outstanding common shares	Notes	Share capital \$	Contributed surplus \$	Deficit \$	Cumulative translation adjustment \$	Total equity \$
Balance at December 31, 2022	995,469,835		213,395,213	28,354,422	(198,280,631)	(1,383,451)	42,085,553
Issue of shares	<b>152,200,000</b>	10	<b>70,012,000</b>	-	-	-	<b>70,012,000</b>
Share issue expenses	-	10	-	-	<b>(3,539,958)</b>	-	<b>(3,539,958)</b>
Exercise of warrants	<b>79,016,922</b>	10	<b>18,359,161</b>	<b>(3,302,613)</b>	-	-	<b>15,056,548</b>
Exercise of stock options	<b>2,163,999</b>	10	<b>574,788</b>	<b>(242,215)</b>	-	-	<b>332,573</b>
Redemption of RSUs	<b>60,000</b>	10	<b>4,200</b>	<b>(4,200)</b>	-	-	-
Share-based compensation	-	11	-	<b>5,418,827</b>	-	-	<b>5,418,827</b>
Net loss for the year	-		-	-	<b>(59,158,975)</b>	-	<b>(59,158,975)</b>
Foreign currency translation adjustment	-		-	-	-	<b>(51,293)</b>	<b>(51,293)</b>
<b>Balance at December 31, 2023</b>	<b>1,228,910,756</b>		<b>302,345,362</b>	<b>30,224,221</b>	<b>(260,979,564)</b>	<b>(1,434,744)</b>	<b>70,155,275</b>
Balance at December 31, 2021	736,882,490		158,041,561	24,673,039	(167,065,981)	(1,212,376)	14,436,243
Issue of shares	207,363,698	10	45,699,992	2,628,765	-	-	48,328,757
Share issue expenses	-	10	-	1,312,801	(4,547,210)	-	(3,234,409)
Exercise of warrants	36,089,663	10	6,639,491	(1,693,332)	-	-	4,946,159
Exercise of stock options	13,917,668	10	2,685,766	(1,185,923)	-	-	1,499,843
Redemption of RSUs	1,216,316	10	328,403	(328,403)	-	-	-
Share-based compensation	-	11	-	2,947,475	-	-	2,947,475
Net loss for the year	-		-	-	(26,667,440)	-	(26,667,440)
Foreign currency translation adjustment	-		-	-	-	(171,075)	(171,075)
<b>Balance at December 31, 2022</b>	<b>995,469,835</b>		<b>213,395,213</b>	<b>28,354,422</b>	<b>(198,280,631)</b>	<b>(1,383,451)</b>	<b>42,085,553</b>

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

# Reunion Gold Corporation

## Consolidated Statements of Cash Flows

<i>(audited, in Canadian dollars)</i>	Notes	Years ended December 31,	
		2023	2022
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net loss for the year		(59,158,975)	(26,667,440)
Adjustments			
Share-based compensation	11	5,418,827	2,947,475
Write-off of exploration and evaluation assets	7	-	1,578,414
Depreciation and amortization	6	549,571	352,190
Accretion	8	77,811	32,289
Loss (gain) on foreign exchange		114,535	(107,085)
Changes in working capital items	17	902,344	1,245,857
		<b>(52,095,887)</b>	<b>(20,618,300)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of term deposits	4	(30,000,000)	-
Acquisition of property and equipment	6	(725,618)	(593,440)
Incentive payment on new lease	6	-	97,700
Additions to exploration and evaluation assets	7	(6,772)	(396,008)
		<b>(30,732,390)</b>	<b>(891,748)</b>
<b>FINANCING ACTIVITIES</b>			
Issue of shares	10	70,012,000	48,328,757
Share issue expenses	10	(3,339,958)	(3,234,409)
Exercise of warrants	10	15,056,548	4,946,159
Exercise of stock options	10	332,573	1,499,843
Repayment of lease liabilities	8	(262,284)	(147,369)
		<b>81,798,879</b>	<b>51,392,981</b>
Effect of exchange rate changes on cash held in foreign currency		(165,298)	(12,307)
Net change in cash and cash equivalents		<b>(1,194,696)</b>	29,870,626
Cash and cash equivalents, beginning of year		<b>43,506,690</b>	13,636,064
<b>Cash and cash equivalents, end of year</b>		<b>42,311,994</b>	<b>43,506,690</b>

Supplemental cash flow information

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

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 1. GENERAL INFORMATION AND LIQUIDITY RISK

Reunion Gold Corporation (“Reunion Gold” or the “Company”) is a Canadian-based company. Reunion Gold is primarily engaged in the acquisition, exploration and development of gold mineral properties in the Guiana Shield region in South America. To date, the Company has not earned significant revenue. The Company’s flagship project is its 100%-owned Oko West Project located in Guyana. The Company also has an interest in gold exploration projects in French Guiana.

All financial results in these 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 and on the OTCQX Market under the symbol RGDF. On April 24, 2023, the Company moved up to the OTCQX Market (from the OTCQB Venture Market) after it qualified to upgrade to the highest market tier of OTC Markets.

The Board of Directors approved and authorized for issuance these consolidated financial statements on April 25, 2024.

### *Liquidity risk*

To date, the Company has incurred significant operating losses and cash outflows related to its exploration and development activities. The Company has funded its operations in the past mainly through the issuance of equity as well as the proceeds from the disposal of exploration and evaluation assets. Management of the Company believes it has sufficient funds to meet its obligations and existing commitments for at least the next 12 months. The Company’s business plan is dependent on raising additional funds to pursue the exploration and development of its projects, which may be completed in a number of ways, including the issuance of equity instruments or other type of arrangement. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding will be available to the Company or that they will be available on terms which are acceptable to the Company.

## 2. BASIS OF PRESENTATION

### *Statement of compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (the “IFRS Accounting Standards”). The summary of material accounting policies that have been applied in the preparation of these consolidated financial statements are presented in Note 3.

### *Basis of measurement*

These consolidated financial statements have been prepared on a going concern and historical cost basis.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### a) *Basis of consolidation*

These consolidated financial statements include the accounts of Reunion Gold and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Reunion Gold and its subsidiaries have an annual reporting date of December 31. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by Reunion Gold. Details of the Company's subsidiaries are as follows:

- Reunion Gold Inc., Guyana;
- Ressources Reunion, French Guiana (a limited liability company);
- Northwest Utilities Inc., Guyana (inactive);
- New Sleeper Gold (USA) Ltd., USA (inactive).

### b) *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 Reunion Gold Inc. is the US dollar and the functional currency of Ressources Reunion is the Euro. The functional currencies of Reunion Gold and its subsidiaries 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 currency translation adjustment reserve in equity.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### c) *Financial instruments*

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, FVPL or fair value through other comprehensive income ("FVOCI"), as appropriate. The Company has no financial assets at FVPL and at FVOCI.

#### Financial assets at amortized cost

Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash and cash equivalents, term deposits, other receivables and deposits, are classified as and measured at amortized cost.

#### Financial liabilities

Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities and payable to Barrick are classified as and measured at amortized cost.

#### Impairment of financial assets

A loss allowance for expected credit losses is recognized in net loss for financial assets measured at amortized cost. At each financial position date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has deteriorated significantly since initial recognition and whose credit risk is low.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

#### c) *Financial instruments* (continued)

##### Derecognition of financial assets and liabilities

A financial asset is derecognised when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset, then derecognition is appropriate.

A financial liability is derecognised when the associated obligation is discharged or canceled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### d) *Cash and cash equivalents and term deposits*

Cash and cash equivalents include cash on hand, deposits held with banks and short term investments with original maturities of three months or less.

Term deposits include investments with original maturities greater than three months.

#### e) *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 and all other costs directly attributable to bringing the asset to the location and condition necessary for its intended use, including finance expense attributable to the acquisition of the asset. 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 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 2 years. 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.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### *f) 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.

### *g) 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.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### *h) 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. 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.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### *i) Leases*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability less any lease incentives received. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method and is re-measured when there is a change in future lease payments. When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in property and equipment, and lease liabilities under lease liabilities on the consolidated statements of financial position. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 3. SUMMARY OF MATERIAL 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 or 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) Equity*

Share capital represents the amount received on the issue of shares. Contributed surplus includes charges related to stock options, restricted share units 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.

#### *l) 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.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### *m) Share-based payments*

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. Warrants to underwriters, 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.

Restricted share units ("RSU") may be granted to directors, officers, employees and consultants as part of their compensation package entitling them to receive a payment in the form of common shares. Each RSU represents an entitlement to one common share of the Company, upon vesting. The fair value of the RSU is measured on the grant date and is recognized as an expense over the vesting period with a corresponding increase to contributed surplus.

### *n) Loss per share*

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the 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 loss per share, the Company assumes the exercise of its dilutive options. 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.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### *o) Joint arrangement*

The Company conducts or may conduct a portion of its business through a joint arrangement where the parties are bound by a contractual arrangement establishing joint control and requiring unanimous consent of each of the parties regarding the conduct of operations. The Company's interest in a joint arrangement is classified as either a joint operation or a joint venture depending on its rights and obligations in the arrangement. In 2023, the Company's interest in a joint operation with Barrick Gold Corporation was terminated (Note 5).

### *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 estimates, judgments and assumptions 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 estimates, judgements and assumptions made, relate to, but are not limited to the following:

#### *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.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL 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.

#### *Lease liabilities*

The determination of the interest rate used in the calculation of the lease liabilities discounted value requires judgment. The interest rate is management's best estimate of the cost of borrowing based on comparable entities and historical data. Judgement is also used to determine whether there is a reasonable certainty that a lease extension or cancellation option will be exercised.

#### *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 or warrant life. As well, management must make assumptions about anticipated forfeitures based on the historical actions of stock option plan participants.

#### *Provision and contingent liabilities*

Due to the nature of the Company's activities and countries in which it operates, various tax matters are outstanding from time to time. Contingencies can be possible liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the Company's control occurs. The assessment of such contingencies involves the use of significant judgment and estimates. In the event that management's estimate of the future resolution of these matters change, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

*p) Significant accounting judgments and estimates (continued)*

### *Uncertain tax positions*

The Company's management has determined that the sale in 2017 of the Matthews Ridge project has resulted in a capital gains tax, based on the interpretation of the tax rules in effect in Guyana. The amount of taxes paid 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 and paid, such difference could impact profit or loss in the period in which such determination is made.

*q) Accounting standards issued but not yet applied*

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2023. These updates are not expected to have a significant impact on the Company and are therefore not discussed herein.

## 4. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

As at December 31, 2023, cash and cash equivalents of \$42,311,994 (\$43,506,690 as at December 31, 2022) includes \$29,000,000 in guaranteed investment certificates ("GICs") bearing interest at a weighted-average rate of 5.6%, maturing at various dates until February 26, 2024 (\$39,500,000 in GICs as at December 31, 2022 bearing interest at a weighted-average rate of 4.9%).

As at December 31, 2023, term deposits of \$30,000,000 (nil at December 31, 2022) consist of GICs bearing interest at a weighted-average rate of 5.7%, maturing in January and February 2024.

Interest receivable as at December 31, 2023 related to cash and cash equivalents and terms deposits totals \$523,177 (\$280,233 at December 31, 2022).

## 5. TERMINATION OF STRATEGIC ALLIANCE WITH BARRICK GOLD CORPORATION

On December 5, 2022, the Company provided a 60-day notice to Barrick Gold Corporation ("Barrick") to terminate the Strategic Alliance Agreement (the "Agreement") that had been entered into in February 2019 between the parties. Following a Statement of Claim issued by Barrick in February 2023, Reunion and Barrick agreed in December 2023, on a mutual acceptable basis, that the Agreement has been terminated. The parties have no outstanding obligations under the Agreement and there are no properties subject to the Agreement.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 6. 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	Right-of-use assets	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance at December 31, 2021	918,697	305,590	187,464	247,929	1,659,680
Additions	368,324	151,807	73,309	724,072	1,317,512
Incentive payment on new lease	-	-	-	(97,700)	(97,700)
Cancellation of a lease	-	-	-	(160,565)	(160,565)
Net exchange differences	61,309	20,205	(4,207)	(614)	76,693
Balance at December 31, 2022	1,348,330	477,602	256,566	713,122	2,795,620
Additions	<b>265,020</b>	<b>377,610</b>	<b>82,988</b>	<b>88,007</b>	<b>813,625</b>
Write-off	-	-	(93,652)	(88,255)	(181,907)
Net exchange differences	<b>(32,271)</b>	<b>(17,260)</b>	<b>(5,537)</b>	<b>(4,231)</b>	<b>(59,299)</b>
Balance at December 31, 2023	<b>1,581,079</b>	<b>837,952</b>	<b>240,365</b>	<b>708,643</b>	<b>3,368,039</b>
<b>Accumulated depreciation and amortization</b>					
Balance at December 31, 2021	721,536	249,768	170,330	116,681	1,258,315
Depreciation and amortization	167,003	44,884	22,310	117,993	352,190
Cancellation of a lease	-	-	-	(141,921)	(141,921)
Net exchange differences	47,992	14,994	(5,732)	1,638	58,892
Balance at December 31, 2022	936,531	309,646	186,908	94,391	1,527,476
Depreciation and amortization	<b>192,195</b>	<b>113,140</b>	<b>56,524</b>	<b>187,712</b>	<b>549,571</b>
Write-off	-	-	(93,652)	(88,255)	(181,907)
Net exchange differences	<b>(21,467)</b>	<b>(7,224)</b>	<b>(3,536)</b>	<b>(726)</b>	<b>(32,953)</b>
Balance at December 31, 2023	<b>1,107,259</b>	<b>415,562</b>	<b>146,244</b>	<b>193,122</b>	<b>1,862,187</b>
<b>Carrying amounts</b>					
At December 31, 2022	411,799	167,956	69,658	618,731	1,268,144
At December 31, 2023	<b>473,820</b>	<b>422,390</b>	<b>94,121</b>	<b>515,521</b>	<b>1,505,852</b>

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 7. EXPLORATION AND EVALUATION ASSETS

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

	December 31, 2022	Additions	Impairment	Net exchange difference	December 31, 2023
	\$	\$	\$	\$	\$
<b>Oko West, Guyana</b>	1,240,583	6,772	-	(29,287)	1,218,068

	December 31, 2021	Additions	Impairment	Net exchange difference	December 31, 2022
	\$	\$	\$	\$	\$
Oko West, Guyana	780,920	387,660	-	72,003	1,240,583
Boulanger, French Guiana	1,640,574	-	(1,562,141)	(78,433)	-
NW Extension, Suriname	7,925	8,348	(16,273)	-	-
<b>Total</b>	2,429,419	396,008	(1,578,414)	(6,430)	1,240,583

#### *Oko West Project, Guyana*

In February 2023, the Company exercised the two options it had with Guyanese titleholders and acquired all of the rights to the Oko West Project for no additional consideration.

In January 2023, the Company paid \$6,772 (US\$5,000) to one of the two Oko West titleholders, as consideration for the 2022 option payment. In July 2022, the Company had amended its option agreement with one of the two Oko West titleholders and had advanced the option payments that were due in August 2022 and August 2023, representing a total amount paid of \$387,660 (US\$300,000).

In September 2022, the Guyana Geology and Mines Commission approved the issuance of a Prospective Licence covering the Oko West project area for an initial term of three years and is renewable for up to two additional years.

The Oko West Project is subject to a contingent consideration of US\$5.00 per ounce of gold produced.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *Boulangier Project, French Guyana*

The Company has an option to acquire 100% of the Boulangier Project, located in French Guiana, from Compagnie Minière de Boulangier (“CMB”), an arm’s length private company. The Boulangier Project consists of four mining concessions and one exploration permit.

On June 1, 2023, the option agreement between the Company and CMB, the titleholder of the Boulangier Project, was amended to further extend the period under which the Company will be entitled to exercise the option to acquire a 100% interest in the Boulangier Project to up to 45 days following the renewal of the concessions and the expiry of all recourses seeking annulment of the renewal of the concessions. Upon the decision to exercise the option, the Company will be required to make a payment of EUR1,000,000 to CMB; following approval of the transfer to the Company of the mineral titles by the French regulatory authorities, the Company will need to make a final payment of EUR1,000,000 to CMB. Future production is subject to 2% NSR royalty to be paid to CMB.

On July 28, 2022 the French “*Conseil d’Etat*” ruled in favor of a non-governmental organization’s (“NGO”) administrative procedure initiated in 2021 (seeking the annulment of the renewal of the mining concessions) on the grounds that the French administration had exceeded its power by renewing the four Boulangier concessions. Pursuant to the 2022 decision of the *Conseil d’Etat*, the four decrees under which the Boulangier concessions had been renewed were annulled. In March 2023, CMB, as titleholder of the Boulangier Project, submitted new renewal applications for the four mining concessions part of the Boulangier Project. On November 13, 2023, the French regulatory authorities once again renewed the four mining concessions, for a period of 10 years to December 31, 2033. On January 4, 2024, two NGOs submitted a letter to the French government requesting the withdrawal of the November 13, 2023 decrees, reserving their rights to initiate legal proceedings against the renewal. The NGOs have until May 10, 2024 to initiate legal actions.

In 2022, the Company had written-off accumulated expenses of \$1,562,141 related to the Boulangier property due to the uncertainty in the renewal of the Boulangier concessions. Although the Company is entitled to pursue its exploration activities at the Boulangier Project under the original mining concessions, it currently does not intend to conduct a work program until the concessions are renewed and all recourses seeking the annulment of the concessions have expired.

#### *Dorlin Project, French Guyana*

The Company has an option to acquire 75% of the Dorlin Project, located in French Guiana. The Dorlin Project consists of one exploitation permit. The option agreement is valid until July 30, 2025.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 7. EXPLORATION AND EVALUATION ASSETS (continued)

### *NW Extension Project, Suriname*

In May 27, 2020, the Company entered into an agreement under which a Surinamese private company granted to the Company an option to acquire 100% of the NW Extension gold project, located in Suriname. In December 2023, the Company terminated the option agreement to acquire this property.

The additions in 2022 consisted of the Company's share of an option payment of \$8,348 (US\$6,250) made in accordance with the May 2020 option agreement. At December 31, 2022, the Company had written-off accumulated exploration and evaluation assets of \$16,273 related to the NW Extension Project due to disappointing exploration results.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 8. LEASE LIABILITIES

On October 1, 2023, the Company entered into a two-year lease agreement for office space in Georgetown, Guyana. In accordance with IFRS 16, the Company recognized in 2023 a right-of-use asset and a corresponding lease liability in the amount of \$88,007.

On October 1, 2022, the Company entered into a five-year lease agreement for office space in Longueuil, Québec and on November 1, 2022, the Company entered into a two-year lease agreement for office space in Georgetown, Guyana. In accordance with IFRS 16, the Company recognized in 2022 a right-of-use asset and a corresponding lease liability in the amount of \$724,072. As part of the office lease in Longueuil, Québec, the Company received an incentive amount of \$97,700 which was presented as a reduction of the right-of-use asset (Note 6).

The balance of the lease liabilities as at December 31, 2023, accounted for in accordance with IFRS 16, *Leases*, using a discount rate of 12%, is as follows:

	Years ended December 31,	
	2023	2022
	\$	\$
Balance, beginning of year	725,149	137,322
Lease liabilities – rental of office space	88,007	724,072
Cancellation of a lease	-	(18,644)
Accretion expense	77,811	32,289
Repayment of liabilities	(262,284)	(147,369)
Effect of foreign exchange	(3,650)	(2,521)
Balance, end of year	625,033	725,149
Current liabilities	201,671	185,131
Non-current liabilities	423,362	540,018
	625,033	725,149

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 9. INCOME TAXES

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

	Years ended December 31,	
	2023	2022
	\$	\$
Net loss before income taxes	(59,158,975)	(26,667,440)
Tax using the Company's domestic tax rate (26.50%)	(15,677,128)	(7,066,872)
Effect of tax rate in foreign jurisdictions	764,814	275,222
Effect of tax rate on deferred income tax balance	13,936	10,007
Non-deductible expenses	1,471,161	782,547
Unrecognized tax assets	13,468,133	6,174,088
Loss on foreign exchange recorded in other comprehensive loss	(6,796)	(118,315)
Others	(34,120)	(56,677)
Income tax expense	-	-

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.

	December 31, 2023				
	Guyana	French Guiana	United States	Canada	Total
	\$	\$	\$	\$	\$
Non-capital loss carryforwards	150,328,545	20,523,743	16,779,749	32,988,230	220,620,267
Capital loss carryforwards	321,593	-	14,915,913	9,696,100	24,933,606
Property and equipment	33,948	-	-	256,810	290,758
Exploration and evaluation assets	964,316	1,670,022	-	17,349,791	19,984,129
Share issue expenses	-	-	-	5,136,355	5,136,355
Other	-	-	-	139,682	139,682
	151,648,402	22,193,765	31,695,662	65,566,968	271,104,797

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 9. INCOME TAXES (continued)

	December 31, 2022				
	Guyana	French Guiana	United States	Canada	Total
	\$	\$	\$	\$	\$
Non-capital loss carryforwards	106,724,314	20,269,850	16,779,749	27,878,771	171,652,684
Capital loss carryforwards	329,325	-	14,915,913	7,891,919	23,137,157
Property and equipment	30,675	-	-	276,852	307,527
Exploration and evaluation assets	990,961	1,650,840	-	17,349,791	19,991,592
Share issue expenses	-	-	-	3,152,561	3,152,561
Other	-	-	-	139,682	139,682
	108,075,275	21,920,690	31,695,662	56,689,576	218,381,203

The Company has non-capital loss carry-forwards in Canada of \$32,988,230, available to reduce taxable income in future years, expiring starting in 2025 until 2043. The Company's wholly owned subsidiary in Guyana also has loss carry-forwards of \$150,328,545 at December 31, 2023, available indefinitely to reduce taxable income in future years.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 10. SHARE CAPITAL AND WARRANTS

#### *Authorized and issued*

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

At December 31, 2023, the Company had 1,228,910,756 issued and outstanding common shares and 66,457,764 outstanding share purchase warrants (995,469,835 issued and outstanding common shares and 145,474,686 outstanding share purchase warrants at December 31, 2022).

#### *Issuance of securities*

On September 25, 2023, the Company completed a bought deal prospectus offering of 152,200,000 common shares at a price of \$0.46 per common share for gross proceeds of \$70,012,000. Fees to the underwriters and other share issue expenses totalled \$3,539,958, resulting in net proceeds of \$66,472,042.

During the year ended December 31, 2023, the Company issued i) 79,016,922 common shares following the exercise of 79,016,922 share purchase warrants for proceeds of \$15,056,548; ii) 2,163,999 common shares following the exercise of 2,163,999 stock options for proceeds of \$332,573; and iii) 60,000 common shares following the redemption of an equivalent amount of RSUs.

On July 8, 2022, the Company completed a bought deal private placement (the "Bought Deal") of units of the Company (the "Units") through a syndicate of underwriters (the "Underwriters"). Concurrently with the Bought Deal, the Company also closed a non-brokered private placement of Units on the same terms as the Units issued and sold under the Bought Deal (the "Concurrent Financing" and collectively with the Bought Deal, the "Offering"). Pursuant to the Offering, the Company issued 141,648,349 Units at a price of \$0.26 per Unit for gross proceeds to the Company of \$36,828,571. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.39 until July 8, 2024, provided that if the volume weighted average closing price of the common shares of the Company on the TSXV or such other stock exchange on which the common shares are traded is equal to or greater than \$0.55 for a period of 10 consecutive trading days, the Company may elect to accelerate the expiry of the Warrants at its option. 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 \$0.04 per warrant by applying the binomial regression method, using an expected time-period of 2 years, a weighted average risk-free interest rate of 3.26%, a weighted average volatility rate of 95% and a 0% dividend factor. An amount of \$2,628,765 was allocated to the share purchase warrants and presented as part of contributed surplus. Fees to the Underwriters and other share issue expenses amounted to \$2,316,396.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 10. SHARE CAPITAL AND WARRANTS (continued)

#### *Issuance of securities (continued)*

On February 24, 2022, the Company completed a bought deal private placement common share offering (the "Offering") through a syndicate of underwriters. Pursuant to the Offering, the Company issued 65,715,349 common shares of the Company at a price of \$0.175 per common share for gross proceeds of \$11,500,186. Fees to the Underwriters and other share issue expenses totalled \$918,013.

During the year ended December 31, 2022, the Company issued i) 36,089,663 common shares following the exercise of 36,089,663 share purchase warrants for proceeds of \$4,946,159; ii) 13,917,668 common shares following the exercise of 13,917,668 stock options for proceeds of \$1,499,843; and iii) 1,216,316 common shares following the redemption of an equivalent amount of RSUs.

#### *Share purchase warrants*

On July 8, 2022, as compensation for the Underwriters' services rendered in connection with the Bought Deal, the Company issued to the Underwriters an aggregate of 7,058,900 non-transferable broker warrants. Each broker warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.26 until July 8, 2024. The fair value of each warrant was estimated at \$0.11 per warrant by applying the Black-Scholes option pricing model, using an expected time-period of 2 years, a weighted average risk-free interest of 3.27%, a weighted average volatility rate of 83% and a 0% dividend factor. The estimated fair value of the warrants in the amount of \$796,721 was presented as share issue expenses.

On February 24, 2022, as part of the bought deal private placement completed on the same date, the Company issued to the Underwriters a total of 3,894,064 non-transferable warrants. Each warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of \$0.175 per share until February 24, 2024. The fair value of each warrant was estimated at \$0.13 per warrant by applying the Black-Scholes option pricing model, using an expected time-period of 2 years, a weighted average risk-free interest of 1.50%, a weighted average volatility rate of 96% and a 0% dividend factor. The estimated fair value of the warrants in the amount of \$516,080 was presented as share issue expenses.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 10. SHARE CAPITAL AND WARRANTS (continued)

#### Share purchase warrants (continued)

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 tables reflect the activity related to share purchase warrants in 2023 and 2022:

Grant date	Number of warrants December 31,			Expired	Number of warrants December 31,		Price per share	Expiry
	2022	Granted	Exercised		2023			
							\$	
March 27, 2020	6,700,000	-	(6,700,000)	-	-	-	-	-
May 18, 2021	30,887,037	-	(30,887,037)	-	-	-	-	-
December 16, 2021	26,110,511	-	(26,110,511)	-	-	-	-	-
February 24, 2022	3,894,064	-	(2,531,141)	-	1,362,923	0.175		February 24, 2024
July 8, 2022	70,824,174	-	(7,847,003)	-	62,977,171	0.39		July 8, 2024
July 8, 2022	7,058,900	-	(4,941,230)	-	2,117,670	0.26		July 8, 2024
	145,474,686	-	(79,016,922)	-	66,457,764	0.38		

Grant date	Number of warrants December 31,			Expired	Number of warrants December 31,		Price per share	Expiry
	2021	Granted	Exercised		2022			
							\$	
March 27, 2020	6,700,000	-	-	-	6,700,000	0.20		March 27, 2023
August 6, 2020	21,579,663	-	(20,954,663)	(625,000)	-	-		-
August 6, 2020	4,192,500	-	(4,192,500)	-	-	-		-
May 18, 2021	34,137,037	-	(3,250,000)	-	30,887,037	0.12		May 18, 2023
December 16, 2021	33,803,011	-	(7,692,500)	-	26,110,511	0.20		December 23, 2023
February 24, 2022	-	3,894,064	-	-	3,894,064	0.175		February 24, 2024
July 8, 2022	-	70,824,174	-	-	70,824,174	0.39		July 8, 2024
July 8, 2022	-	7,058,900	-	-	7,058,900	0.26		July 8, 2024
	100,412,211	81,777,138	(36,089,663)	(625,000)	145,474,686	0.28		

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 11. SHARE-BASED PAYMENTS

The Company has two share-based compensation plans: a stock option plan (the “2004 SOP”) and a performance and restricted share unit plan (“PRSU Plan”).

The shareholders of the Company adopted and approved the 2004 SOP for employees, officers, directors and consultants to the Company and its affiliates. The Board of Directors has delegated the authority to oversee the 2004 SOP to the Compensation, Nominating and 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 PRSU Plan, adopted in September 2018, sets forth the terms and conditions under which restricted share units (“RSUs”) and performance share units (“PSUs”) may be granted to officers, directors, key employees and consultants. On June 9, 2022, the shareholders of the Company approved certain amendments to the PRSU Plan, including the increase of the number of common shares that may be reserved for issuance under the PRSU Plan to a maximum of 16,000,000.

The maximum number of common shares issuable pursuant to the 2004 SOP combined with the aggregate number of common shares issuable under the PRSU Plan shall not exceed 10% of the total number of common shares outstanding from time to time.

#### Stock options

The following sets out the activity in stock options:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Number	Weighted average exercise price (\$)	Number	Weighted average exercise price (\$)
Stock options, beginning of year	36,822,332	0.24	28,356,667	0.14
Granted	22,675,000	0.39	23,050,000	0.29
Exercised	(2,163,999)	(0.15)	(13,917,668)	(0.11)
Expired	-	-	(666,667)	(0.22)
Stock options, end of year	57,333,333	0.30	36,822,332	0.24

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 11. SHARE-BASED PAYMENTS (continued)

#### *Stock options (continued)*

On March 16, 2023, the Company granted 21,075,000 stock options to its directors, officers, employees and consultants. The stock options have a five-year term and are exercisable at a price of \$0.38 per share. The stock options granted will vest over a two-year period.

On August 28, 2023, the Company granted 1,000,000 stock options to an officer. The stock options have a five-year term and are exercisable at a price of \$0.51 per share. The stock options granted will vest over a two-year period.

On October 5, 2023, the Company granted 600,000 stock options to its employee and consultants. The stock options have a five-year term and are exercisable at a price of \$0.42 per share. The stock options granted will vest over a two-year period.

The weighted-average share price at the time of the exercise of the 2,163,999 stock options was \$0.47 for the year ended December 31, 2023.

On January 7, 2022, the Company granted 750,000 stock options to a consultant. The stock options have a five-year term and are exercisable at a price of \$0.15 per share. The stock options granted will vest over a two-year period.

On March 1, 2022, the Company granted 16,500,000 stock options to its directors, officers, employees and consultants. The stock options have a five-year term and are exercisable at a price of \$0.26 per share. The stock options granted will vest over a two-year period.

On June 9, 2022, the Company granted 100,000 stock options to a consultant. The stock options have a five-year term and are exercisable at a price of \$0.27 per share. The stock options granted will vest over a two-year period.

On September 26, 2022, the Company granted 3,500,000 stock options to a director and officers. The stock options have a five-year term and are exercisable at a price of \$0.35 per share. The stock options granted will vest over a two-year period.

On November 28, 2022, the Company granted 2,200,000 stock options to an officer and to an employee. The stock options have a five-year term and are exercisable at a price of \$0.44 per share. The stock options granted will vest over a two-year period.

The weighted-average share price at the time of the exercise of the 13,917,668 stock options was \$0.27 for the year ended December 31, 2022.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 11. SHARE-BASED PAYMENTS (continued)

#### Stock options (continued)

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

	Years ended December 31,	
	2023	2022
Number of stock options granted during the period	22,675,000	23,050,000
Weighted-average exercise price (\$)	0.39	0.29
Weighted average grant date market price (\$)	0.39	0.29
Expected stock option life (years)	5.0	5.0
Vesting period (years)	2.0	2.0
Expected volatility (%)	80	81
Risk-free interest rate (%)	3.1	2.0
Dividend yield (%)	-	-
Weighted-average grant date fair value (Black-Scholes value) (\$)	0.26	0.19

The following reflects the stock options issued and outstanding at December 31, 2023:

Issue date	Number of stock options	Exercise price	Remaining contractual life (years)	Number of exercisable options	Exercise price of exercisable options
		\$			\$
August 19, 2019	5,520,000	0.27	0.6	5,520,000	0.27
June 19, 2020	600,000	0.13	1.5	600,000	0.13
August 16, 2021	6,188,333	0.08	2.6	6,188,333	0.08
January 7, 2022	750,000	0.15	3.0	500,000	0.15
March 1, 2022	15,800,000	0.26	3.2	10,533,333	0.26
June 9, 2022	100,000	0.27	3.4	66,667	0.27
September 26, 2022	3,500,000	0.35	3.7	2,333,333	0.35
November 28, 2022	2,200,000	0.44	3.9	1,466,667	0.44
March 16, 2023	21,075,000	0.38	4.2	7,025,000	0.44
August 28, 2023	1,000,000	0.51	4.7	333,333	0.51
October 5, 2023	600,000	0.42	4.8	200,000	0.44
	57,333,333	0.30	3.3	34,766,666	0.27

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 11. SHARE-BASED PAYMENTS (continued)

#### Stock options (continued)

The following reflects the stock options issued and outstanding at December 31, 2022:

Issue date	Number of stock options	Exercise price	Remaining contractual life (years)	Number of exercisable options	Exercise price of exercisable options
		\$			\$
January 4, 2018	764,000	0.16	0.0	764,000	0.16
August 19, 2019	5,520,000	0.27	1.6	5,520,000	0.27
June 19, 2020	600,000	0.13	2.5	600,000	0.13
August 16, 2021	6,921,666	0.08	3.6	4,614,444	0.08
November 18, 2021	166,666	0.13	3.9	111,111	0.13
January 7, 2022	750,000	0.15	4.0	250,000	0.15
March 1, 2022	16,300,000	0.26	4.2	5,433,333	0.26
June 9, 2022	100,000	0.27	4.4	33,333	0.27
September 26, 2022	3,500,000	0.35	4.7	1,166,667	0.35
November 28, 2022	2,200,000	0.44	4.9	733,333	0.44
	<b>36,822,332</b>	<b>0.24</b>	<b>3.7</b>	<b>19,226,221</b>	<b>0.22</b>

#### Restricted share units ("RSUs")

The following sets out the activity in RSUs:

	Years ended December 31,	
	2023	2022
	Number	Number
RSUs, beginning of year	60,000	1,306,316
Redeemed	(60,000)	(1,216,316)
Expired	-	(30,000)
<b>RSUs, end of year</b>	<b>-</b>	<b>60,000</b>

The fair value of the RSUs is recognized as share-based compensation expense with a corresponding increase in contributed surplus. The total amount expensed is recognized over the vesting period.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 11. SHARE-BASED PAYMENTS (continued)

#### Share-based compensation costs

During the year ended December 31, 2023, the Company recorded share-based compensation costs related to stock options in the amount of \$5,418,827 (\$2,946,986 in 2022).

During the year ended December 31, 2023, the Company recorded share-based compensation costs related to RSUs in the amount of nil (\$489 in 2022).

### 12. EXPLORATION AND EVALUATION EXPENSES

The Company incurred the following exploration expenses:

	Years ended December 31,	
	2023	2022
	\$	\$
Wages and fees	5,428,278	3,497,937
Drilling and assaying	30,619,797	14,387,624
Studies and geophysics	7,417,764	959,327
Camp costs	2,327,623	1,204,542
Transportation and travel	1,732,425	1,118,711
Field supplies	808,707	376,159
Property lease payments	11,262	16,410
Others	1,043,555	859,360
	<b>49,389,411</b>	<b>22,420,070</b>

### 13. MANAGEMENT AND ADMINISTRATION EXPENSES

The Company incurred the following management and administration expenses:

	Years ended December 31,	
	2023	2022
	\$	\$
Wages and fees	3,540,566	2,642,091
Professional fees	1,006,765	167,987
Office and others	265,258	162,110
Investor relations and travel	875,763	445,726
Reporting issuer costs	173,481	104,634
	<b>5,861,833</b>	<b>3,522,548</b>

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 14. SETTLEMENT OF A CONTINGENT CONSIDERATION

In February 2017, the Company sold its Matthews Ridge manganese project to Bosai Minerals Group Co. ("Bosai"). The Company had received a payment of US\$5 million at closing. A contingent consideration of up to US\$5 million was also payable by Bosai to the Company once the mine entered production, at the rate of US\$2.00 per tonne of manganese concentrate or ore shipped from the project. These payments were to be settled on a quarterly basis. The Company had not previously recorded this contingent consideration. In August 2022, following the start of production at the Matthews Ridge project, the Company and Bosai agreed to settle the additional contingent consideration for a lump sum payment of \$3,060,307 (US\$2,350,000), which the Company has received. The amount of the settlement was presented during the year ended December 31, 2022 as a settlement of a contingent consideration on the consolidated statements of comprehensive loss.

## 15. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2023 was based on the net loss attributable to common shareholders of \$59,158,975 (net loss of \$26,667,440 in 2022) and the weighted average number of common shares outstanding of 1,073,223,572 (899,999,341 in 2022).

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

## 16. SEGMENTED INFORMATION

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

	December 31, 2023			
	Canada	Guyana	French Guiana	Total
	\$	\$	\$	\$
Current assets	73,136,031	903,944	17,256	74,057,231
Property and equipment	393,380	1,112,472	-	1,505,852
Exploration and evaluation assets	-	1,218,068	-	1,218,068
<b>Total assets</b>	<b>73,529,411</b>	<b>3,234,484</b>	<b>17,256</b>	<b>76,781,151</b>

	December 31, 2022			
	Canada	Guyana	French Guiana	Total
	\$	\$	\$	\$
Current assets	43,695,265	514,378	33,824	44,243,467
Property and equipment	504,678	735,657	27,809	1,268,144
Exploration and evaluation assets	-	1,240,583	-	1,240,583
<b>Total assets</b>	<b>44,199,943</b>	<b>2,490,618</b>	<b>61,633</b>	<b>46,752,194</b>

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 17. CASH FLOW INFORMATION

Changes in working capital items are as follows:

	Years ended December 31,	
	2023	2022
	\$	\$
Sales taxes receivable	(162,760)	(45,832)
Interest receivables	(242,944)	(280,233)
Other receivables	(20,718)	35,890
Prepaid expenses and deposits	(595,845)	(86,641)
Accounts payable and accrued liabilities	2,089,535	1,522,243
Payable to Barrick	(164,924)	100,430
	<b>902,344</b>	<b>1,245,857</b>

#### Supplemental information

Finance income received, included in operating activities	<b>2,010,068</b>	751,262
Share issue expenses, included in accounts payable and accrued liabilities	<b>200,000</b>	-
Lease liabilities, included in property and equipment	<b>88,007</b>	724,072
Fair value of warrants granted	-	1,312,801
Redemption of RSUs	<b>4,200</b>	328,403

### 18. 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 December 31, 2023, managed capital totaled \$70,155,275 (\$42,085,553 at December 31, 2022).

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 December 31, 2023. The Company is not subject to any externally imposed capital requirements at December 31, 2023.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

### 19. 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 December 31, 2023.

#### *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).

The following summarizes the contractual maturities of the Company's financial and lease liabilities at December 31, 2023:

	Carrying amount	Settlement amount	Within 1 year	Between 1-2 years	Between 2-3 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	6,000,843	6,000,843	6,000,843	-	-
Lease liabilities	625,033	757,084	263,985	208,767	162,476
	6,625,876	6,757,927	6,264,828	208,767	162,476

#### *Interest rate risk*

The Company's interest rate risk relates to cash and cash equivalents and term deposits. Cash and cash equivalents and term deposits are subject to floating interest rates. Based on cash and cash equivalents and term deposits on hand at December 31, 2023, sensitivity to a plus or minus 1% change in interest rates would affect profit or loss and equity by \$723,000 (\$438,000 at December 31, 2022).

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 19. 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. 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 December 31, 2023, assets and liabilities denominated in a foreign currency consisted of cash of \$6,832,383 (\$3,153,770 at December 31, 2022), prepaid expenses and deposits of \$551,513 (\$54,723 at December 31, 2022), accounts payable and accrued liabilities of \$3,744,614 (\$2,668,466 at December 31, 2022) and payable to Barrick of nil (\$164,494 at December 31, 2022). The impact on comprehensive loss 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 December 31, 2023 would be approximately \$364,000 (\$38,000 at December 31, 2022).

#### *Credit risk*

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets held. At December 31, 2023, the Company's financial assets exposed to credit risk total \$73,360,000 and are primarily composed of cash and cash equivalents, term deposits, interest receivable, other receivables and deposits. To mitigate exposure to the credit risk (which is deemed low), the Company has established a policy to ensure counterparties demonstrate minimum acceptable worthiness, and to ensure liquidity of available funds. The Company's cash and cash equivalents and term deposits are held with large Canadian-based financial institutions and the credit risk of other financial assets is not significant.

#### *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.

# Reunion Gold Corporation

## Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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### 20. RELATED PARTY TRANSACTIONS

The detail of transactions between the Company and its related parties, 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.

#### *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, the Chief Operating Officer and the Chief Financial Officer, is as follows:

	Years ended December 31,	
	2023	2022
	\$	\$
Wages and fees	2,886,535	1,725,044
Share-based compensation	3,953,385	2,382,127
	<b>6,839,920</b>	<b>4,107,171</b>

As at December 31, 2023, accounts payable and accrued liabilities included an amount of nil due to an officer of the Company (\$134,391 as at December 31, 2022).

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 on December 31, 2023, the total amount payable to the Company's officers would have totaled \$5,305,000 and if a change in control had occurred on December 31, 2023, the total amount payable to the Company's officers would have totaled \$7,010,000.

# Reunion Gold Corporation

Notes to Consolidated Financial Statements

Years ended December 31, 2023 and 2022 (in Canadian dollars)

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## 21. EVENTS AFTER THE REPORTING DATE

*Combination of Reunion Gold and G Mining Ventures Corp.*

On April 22, 2024, the Company announced that it has entered into a definitive agreement (the “Agreement”) with G Mining Ventures Corp. (“GMIN”) whereby a newly formed parent company (“New GMIN”) will acquire all of the issued and outstanding shares of GMIN and Reunion Gold pursuant to a court approved plan of arrangement (the “Transaction”). Under the terms of the Agreement, the shareholders of GMIN and Reunion Gold will be entitled to receive common shares of New GMIN formed to effect the Transaction. The number of common shares issued by New GMIN to GMIN and Reunion Gold shareholders will be equivalent to the combined company undergoing a 4-to-1 share consolidation upon closing of the Transaction, resulting in 0.25 New GMIN common shares to be issued for each GMIN common share and 0.07125 New GMIN common shares to be issued for each Reunion Gold common share (the “Exchange Ratio”). In addition, Reunion Gold shareholders will receive common shares in a newly created gold explorer (“SpinCo”) that will hold all of Reunion Gold’s assets other than Oko West. GMIN has agreed to fund SpinCo with \$15 Million.

The Transaction will be subject to approval of at least 66<sup>2/3</sup>% of the votes cast by GMIN shareholders, as well as, to the extent required under applicable law, the approval of a simple majority of disinterested shareholders, voting at a special meeting of GMIN shareholders, and at least 66<sup>2/3</sup>% of the votes cast by Reunion Gold shareholders, 66<sup>2/3</sup>% of the votes cast by Reunion Gold shareholders and optionholders, voting together as a single class, as well as, to the extent required under applicable law, the approval of a simple majority of disinterested shareholders, voting at a special meeting of Reunion Gold securityholders. The Transaction is expected to be completed in Q3 2024, subject to the receipt of required securityholder, court and TSX approvals and other closing conditions customary in transactions of this nature. The Agreement includes reciprocal deal protections and a reciprocal \$31.2 million termination fee payable under certain circumstances.