Reunion Gold Announces Positive Results from Metallurgical Testwork on its Manganese Project

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LONGUEUIL, Aug. 27, 2012 - Reunion Gold Corporation (TSX VENTURE:RGD) ("Reunion" or the "Company") is pleased to announce positive results from metallurgical testwork on its 100% held Matthews Ridge Manganese Project in Guyana, South America. The test results are provided in the summary table in Appendix 1. (http://media3.marketwire.com/docs/rgd_appendix10827.pdf)

Highlights

A program of metallurgical testing of the Matthews Ridge manganese ores was conducted at the Matthews Ridge site by FILAB Guyana under the supervision of G Mining Services Inc. The mineralisation tested included all the four types of potential ore identified at Matthews Ridge. The test results in a laboratory scrubbing, screening and jigging circuit show that:

- Tailings from the previous operation (-6 mm material) produces concentrate assaying +40% Mn at 24% mass pull.

- Detrital manganese material above 1 mm yields concentrate assaying +40% Mn with mass pull of 49%.

- Banded manganese material can produce concentrate approaching 40% Mn with mass pulls slightly below 30%.

- Massive manganese material above 1 mm produces concentrate with greater than 40% Mn at 67% mass pull. Some crushing and sizing ahead of jigging is required on material from this lithology.

G Mining metallurgists have concluded that:

- All the manganese material used for testing from the Matthews Ridge deposit is amenable to jig concentration. They all produced marketable concentrates at good mass recoveries. In all cases, phosphorous content of the concentrates were less than 0.1% P. Silica (SiO_2) values ranged from 7.6% to 24.2% suggesting a silico-manganese product. Alumina (Al_2O_3) content ranged from 6.8% to 9.5%. Manganese to iron ratios (Mn:Fe) ranged from 3 to 17.

- The coarse size fraction (+6 mm) of the detrital material, in particular, may be amenable to upgrading by simple scrubbing and wet screening without jigging. From the current testing, the process flow sheet for the Matthews Ridge ores would consist of a combination of sizing, scrubbing, wet screening and treatment of the screened fractions in a jigging circuit.

- Further metallurgical test work will focus on the refinement of the process flow sheet, increasing the sample population at optimized jigging settings and evaluation of the variability within the deposit.

Test objectives

The objective of this program was to expand testing for the amenability of the Matthews Ridge material to upgrading by jig separation. Earlier work by Bateman Engineering in South Africa on banded manganese material (reported in October 2011) concluded that jigging would produce acceptable concentrate grades at a good yield. This program was designed to provide additional information from testing all known ore lithologies and data for process design, process optimisation and product identification.

Sample Preparation

Bulk samples corresponding to each of the above potential sources of ore were collected from the tailings

basin, from trenches and from exposed faces according to specific protocols designed and supervised by Mr. Carlos Bertoni, P. Geo., the Company's exploration QP. Sampling points were recorded and photographed.

Sample preparation involved subjecting all materials to a combination of crushing (to -19mm), scrubbing and slimes removal (at 0.86 mm), screening and oversize re-crushing as appropriate. This allowed for a full material balance to be obtained for each sample and also for the production of the requisite subsamples for jigging testwork.

Jigging testwork

A laboratory-scale batch jigging unit was used for the testwork using an Allmineral wet jig, which works by using air to create pulses in water to give an under-bed-air-pulsed jig. The effect of pulsation is to stratify test particles suspended in a stratification chamber according to differences in density - low density particles rise while heavy particles settle in lower levels of the bed. Test optimisation control parameters include frequency, amplitude and shape of the pulses applied during the jigging operation.

The testing conducted consisted of timed batch tests, typically of 15 minutes duration (considered long enough for the separation and re-mixing forces to reach equilibrium). The test chamber consists of stratification chambers - removable plastic frames - of varying depth downwards to the most upgradeable holder. After a test run, the frames are removed one at a time to extract layers of different densities. The frames are then reset for a subsequent trial.

Follow-up work to be performed

On the basis of the results reported here, Reunion is planning additional geo-metallurgical characterisation of the various lithologies using the jigging technology. Testing will be done to:

- Quantify the metallurgical variability vertically within the weathered material;

- Increase the amount of samples within each individual hill, lithology and grade range;

- Measure variability within individual hill; and

- Refine the process flow sheet.

Quality assurance and quality control

Sample preparation, jig testing and XRF assay of samples were done by FILAB Guyana Laboratories on site. FILAB is an independent laboratory specialized on the assaying of geological materials. Sample preparation for assaying comprises crushing to minus 2 mm and pulverization to passing 200 mesh. Assays for manganese and other relevant oxides were then done by XRF following borate fusion.

G Mining Services Inc. is an independent Canadian company specialized in services to the mineral industry and the work described herein was done under the supervision of Ahmed Bouajila, its VP Mineral Processing, a metallurgical engineer acting as QP for the metallurgical portion for an ongoing pre-feasibility study.

Mr. Mathieu Gignac, ing, Vice-President, Projects for G Mining Services Inc., is a qualified person as defined under the terms of NI 43-101, and has reviewed and approved the technical information contained in this press release.

About the Company

The Company is a mineral exploration company focused on the acquisition, exploration and development of mineral properties in the Guyana Shield of South America. The Company, through its 100% indirectly owned subsidiary Reunion Manganese Inc., has assembled a large, strategic land position to conduct exploration and development activities for manganese in the North West District of Guyana. The Company also has the right to acquire a 100% interest in the Lely gold exploration project located in Eastern Suriname.

Manganese is the fourth largest metal consumed in the world, behind iron, aluminum and copper. It is a key component in steel and iron production with no viable substitute.

Additional information about the Company is available on SEDAR at www.sedar.com and at

www.reuniongold.com.

Forward Looking Statements

This press release contains forward-looking information. Although the Company believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. The reader is cautioned that the potential recoverability and grade are conceptual in nature; it is uncertain if further exploration will result in the exploration project being delineated as a mineral resource and there is no guarantee that these resources, if delineated, will be economic or sufficient to support a commercial mining operation. Until a feasibility study has been completed, there is no certainty that the commercial production will be initiated.

Forward-looking information involves known and unknown risks, uncertainties, assumptions and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

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