



**UNIGOLD INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS AND  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three Months Ended March 31, 2017 and 2016

# UNIGOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the unaudited, condensed consolidated interim operating results and financial condition of Unigold Inc. ("Unigold" or the "Corporation") for the fiscal periods ended March 31, 2017 and 2016 should be read in conjunction with the unaudited, condensed consolidated interim financial statements of the Corporation and notes thereto at March 31, 2017. All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), and all dollar amounts are expressed in Canadian dollars unless otherwise indicated. Additional information, including the Corporation's press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online at [www.sedar.com](http://www.sedar.com). The date of this report is May 23, 2017.

### ***Corporation Overview***

Unigold is a Canadian based, growth oriented, junior natural resource Corporation focused on exploring and developing its significant land position in the Dominican Republic, within the highly-prospective Cretaceous-age Tiroo Formation. The Tiroo Formation, an emerging gold and base metal district, is a 75 kilometre wide series of volcanic and sedimentary rocks trending northwesterly across the island of Hispaniola. Unigold's most advanced project is their 100 percent interest in the 22,600-hectare Neita Exploration Concession, located in the west central highlands of the Dominican Republic along the border with Haiti. The Concession was renewed in 2012 for another five-year term (comprised of a three-year term with two one-year extensions available upon application). The first one-year extension was granted March 2015. The second extension was granted February 2016. Unigold operates through its wholly owned Canadian subsidiary, Unigold Resources Inc., and its 97 per cent owned subsidiary, Unigold Dominicana, S.R.L., which is incorporated in the Dominican Republic.

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

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information concerning Unigold's exploration program and planned gold production as well as Unigold's strategies and future prospects. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Assumptions upon which such forward-looking information is based include, without limitation, availability of skilled labour, equipment, and materials; the potential of the Corporation's properties to contain economic metals deposits; the Corporation's ability to meet its working capital needs for the twelve-month period ending December 31, 2015; and the plans, costs, timing and capital for future exploration and development of the Corporation's property interests in the Dominican Republic. Many of these assumptions are based on factors and events that are not within the control of Unigold and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include changes in market conditions, variations in ore reserves, resources, grade or recovery rates, risks relating to international operations (including legislative, political, social, or economic developments in the jurisdictions in which Unigold operates), economic factors, government regulation and approvals, environmental and reclamation risks, actual results of exploration activities, fluctuating metal prices and currency exchange rates, costs, changes in project parameters, conclusions of economic evaluations, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and the availability of skilled labour, failure of plant, equipment or processes to operate as anticipated, capital expenditures and requirements for additional capital, risks associated with internal control over financial reporting, and other risks of the mining industry. Although Unigold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Unigold undertakes no obligation to

update forward-looking information if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.

## ***Nature of Operations and Going Concern***

On November 12, 2013, the Corporation announced an initial inferred mineral resource estimate for the Candelones deposits assuming open-pit mining of the deposits. This resource was estimated to be 39.5 M tonnes averaging 1.6 grams per tonne ("g/t") gold ("Au") containing 2.0 M ounces ("oz") of gold. On February 24, 2015, the Corporation announced an updated inferred mineral resource estimate for the Candelones Extension deposit, assuming underground mining of this deposit. The updated resource estimated 5.2 M tonnes averaging 5.3 g/t Au containing 894,000 oz of gold with 0.35 percent ("%") copper ("Cu") containing 41.2 M lbs of copper. The reader is cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability. A mineral resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

The recoverability of the amounts shown for mineral properties and deferred exploration and evaluation costs are dependent upon the existence of economically recoverable mineral reserves, the ability of the Corporation to obtain the necessary financing to complete its exploration programs and upon future profitable production or proceeds from disposition of such properties.

Because of limited working capital and continuing operating losses, the Corporation's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Corporation will attain profitable levels of operations or be able to sell properties.

## ***Highlights for Q1 2017***

### ***Events Subsequent to the Quarter End***

- The Neita exploration concession expired March 7, 2017 but, pertaining to the prerogatives set forth by Article 16 of the Mining Law Application Rules, the exclusive right of the concession area is protected by the application of a new exploration concession, which was duly filed by the Corporation on November 26th, 2016. As of May 23, 2017, the General Mines Direction is analyzing the exploration concession application. To the best knowledge of management, there are no technical issues that would justify the denial of the application.

## ***Exploration***

### ***Neita***

Unigold's Neita concession covers a 22,600-hectare area within the highly prospective Tireo Formation, a 75 kilometre wide series of volcanic and sedimentary rocks trending northwesterly through the island of Hispaniola. The Tireo Formation hosts a number of promising gold and base metal targets, both in the Dominican Republic and Haiti. During 2013, over 5.0 M gold equivalent oz were defined in the Tireo Formation.

Unigold has been actively exploring the Neita Concession since 2002, compiling an extensive geochemical and geophysical database and isolating numerous anomalies with the potential to host economically viable deposits of gold, zinc and copper.

Since acquiring the Neita property, Unigold has completed over 32,000 soil samples, 10,000 rock samples, 31,000 metres of surface trenching, and over 117,700 metres of diamond drilling. Drilling has largely focused on the Candelones deposits concession.

No work is currently under way on the property pending renewal of the exploration concession. The Neita exploration concession expired March 7, 2017 but, pertaining to the prerogatives set forth by Article 16 of the Mining Law Application Rules, the exclusive right of the concession area is protected by the application of a new exploration concession, which was duly filed by the Corporation on November 26th, 2016. As of April 13, 2017, the

General Mines Direction is analyzing the exploration concession application. To the best knowledge of management, there are no technical issues that would justify the denial of the application.

Completed work:

Compilation data	Statistics		
	Q1 2017	Year to date	PROJECT TO DATE
Drilling – holes	–	–	494
Drilling – metres	–	–	117,735
Trenching – metres	–	–	31,559
Geochemical analysis	–	–	142,697
Grab samples	–	–	10,108
Soil samples	–	–	32,704
Stream samples	–	–	884
Induced polarization lines – km	–	–	196
Magnetic survey lines – km	–	–	687

The material categories of exploration and evaluation assets are summarized below:

	As at	January 1, 2017	Year to date additions	March 31, 2017
Consulting (contract geologists and other technical specialists)		\$ 6,663,189	\$ 11,000	<b>\$ 6,674,189</b>
Drilling (including supplies and logistics expenses)		13,262,450	253	<b>13,262,703</b>
Field expense (including geochemistry and geophysics)		2,289,275	569	<b>2,289,844</b>
Laboratory analysis		4,640,535	–	<b>4,640,535</b>
Travel		1,542,430	19,138	<b>1,561,568</b>
Wages & salaries		4,400,685	49,696	<b>4,450,381</b>
Other (includes legal costs, capitalized depreciation)		6,202,435	62,475	<b>6,264,910</b>
		<b>\$ 39,000,999</b>	<b>\$ 143,131</b>	<b>\$ 39,144,130</b>

## Results of Operations

For the quarter ended March 31, 2017, the Corporation recorded a loss of \$184,116, or \$0.00 per share, compared with a loss of \$163,002 or \$0.01 per share, in 2016.

The material components of general and administrative expenses are detailed below.

	Three Months Ending March 31,	
	2017	2016
Rent	\$ 1,575	\$ 6,163
Insurance	6,117	4,288
Computer supplies and support	4,615	4,753
Other	3,030	2,851
Total	<b>\$ 15,337</b>	<b>\$ 18,055</b>

## Liquidity and Capital Resources

The Corporation has no producing properties and, consequently, has no current operating income or cash flow. Financing of the Corporation's activities to date has been primarily obtained from equity issues. The continuing development of the Corporation's properties therefore depends on the Corporation's ability to obtain additional financing.

On May 25, 2016, Unigold Inc. closed a private placement of 16,000,000 units of the Corporation (the "Units") at a price of \$0.30 per Unit for gross proceeds of \$4,800,000 (the "Private Placement"). Each Unit consisted of one common share of the Corporation (a "Unit Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitled the holder thereof to purchase one common share of the Corporation (a "Warrant Share" and together with the Units, Unit Shares, and Warrants, the "Securities") at an exercise price of \$0.45 at any time prior to May 25, 2018. The Corporation has the right to accelerate the expiry date of the Warrants on notice to the holders of Warrants if the closing price of the Corporation's common shares on a stock exchange in Canada is higher than

\$0.90 per common share for more than 20 consecutive trading days at any time after September 26, 2016, in which case the Warrants will expire 30 days after the date on which such notice is given.

In connection with the closing of the Private Placement, the Corporation issued an aggregate of 1,120,000 broker units (the "Broker Units") and paid an aggregate of \$343,324 in cash to the agents. Each Broker Unit entitled the holder thereof to purchase one unit of the Corporation until May 25, 2018 at an exercise price of \$0.30 per unit. Each unit consists of one common share of the Corporation and one common share purchase warrant of the Corporation having the same terms as the Warrants.

The proceeds from the Private Placement were used to fund the Corporation's continued exploration and development of its gold assets in the Dominican Republic, and for general working capital purposes.

As of March 31, 2017, the Corporation had a cash balance of \$2,304,995 (December 31, 2016 – \$2,594,593) and working capital of \$2,275,304 (December 31, 2016 – \$2,568,555).

## Outlook

Unigold had sufficient cash available as at March 31, 2017 to continue its operations. No exploration is planned in the Dominican Republic until the exploration concession is renewed. On renewal of the concession, Unigold intends to resume an active exploration program.

## Quarterly Financial Information (Unaudited)

The following table sets out selected financial information derived from the Corporation's consolidated financial statements for each of the eight most recently completed quarters:

(\$ thousands, except per share amounts)	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	–	–	–	–	–	–	–	–
Net loss	(184)	(249)	(140)	(636)	(163)	(125)	(309)	(140)
Net loss per share: Basic and diluted	(0.00)	(0.00)	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
Acquisition of exploration and evaluation assets	143	543	743	208	371	416	84	71

The net loss in Q2 2016 includes a non-cash share based payment of \$487,034. Acquisition of exploration and evaluation activities varies on the level and type of activity with drilling consuming the most funds. In 2015, one drill operated in one month of Q4. In 2016, one drill operated in for two months in Q1, three months in Q3 and two months in Q4.

## Related Party Transactions

Included in the accounts for the periods ended March 31, 2017 and 2016 are payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Corporation as follows:

	Three months ended March 31,	
	2017	2016
Management services fees paid to corporations controlled by or under significant influence of an officer of the Corporation	\$ 9,000	\$ 48,125
Professional fees paid to officers	61,650	45,500
	<b>\$ 70,650</b>	<b>\$ 93,625</b>

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. These transactions were in the normal

course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### ***Commitments, Contingencies and Contractual Obligations***

The Corporation's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Minimum contractual payments over the next five years are as follows:

Year	Total	2017	2018	2019	2020	2021
Office lease	\$ 8,000	\$ 8,000	\$ –	\$ –	\$ –	\$ –
Services	126,000	126,000	–	–	–	–
	<u>\$134,000</u>	<u>\$134,000</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

### ***Trend Information***

There are no major trends that are anticipated to have a material effect on the Corporation's financial condition and results of operations in the near future.

### ***Off-Balance Sheet Arrangements***

The Corporation has no off-balance sheet arrangements, no capital lease agreements and no long-term debt obligations.

### ***Proposed Transactions***

There are no proposed transactions that will materially affect the performance of the Corporation. As is typical of the gold exploration sector, Unigold is continually reviewing potential property acquisition, investment and joint venture transactions and opportunities

### ***Critical Accounting Policies and Estimates***

The Corporation prepares its consolidated financial statements in accordance with IFRS. The most significant accounting estimates are the policy of capitalizing exploration costs on its properties and the valuation of such properties, and the stock-based compensation calculation.

The Corporation reviews its portfolio of exploration properties on an annual basis to determine whether a write-down of the capitalized cost of any property is required. The recoverability of the amounts shown for exploration properties and deferred exploration and evaluation assets is dependent on the existence of economically recoverable reserves, and the ability to obtain financing to complete the development of such reserves.

The Corporation uses the Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Corporation uses the historical price data and comparables in the estimate of future volatilities.

### ***Risks and Uncertainties***

At the present time, Unigold does not hold any interest in a mining property in production. The Corporation's viability and potential successes lie in its ability to develop, exploit and generate revenue out of mineral deposits. Revenues, profitability and cash flow from any future mining operations involving the Corporation will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices have fluctuated widely and are affected by numerous factors beyond the Corporation's control.

### ***Nature of Mineral Exploration and Development Projects***

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. The exploration and development of mineral deposits involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Few mining properties that are explored are ultimately developed into producing mines. Major expenses are required to establish reserves by drilling and to construct mining and processing facilities. Large amounts of capital are frequently required to purchase necessary equipment. It is impossible to ensure that the current or proposed exploration programs on properties in which the Corporation has an interest will result in profitable commercial mining operations.

Success in establishing mineral reserves through exploration is the result of a number of factors, including the quality of management, the Corporation's level of geological and technical expertise, the quality of land available for exploration and other factors. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Whether a deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as its size and grade, costs and efficiencies of the recovery methods that can be employed, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold or silver, and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on its invested capital. Because of these uncertainties, no assurance can be given that exploration programmes will result in the establishment or expansion of resources or reserves.

### ***The Corporation's Properties Are Subject to Title Risks***

The Corporation has taken all reasonable steps to ensure that it has proper title to its properties. However, the Corporation cannot provide any guarantees that there are no prior unregistered agreements, claims or defects that may result in the Corporation's title to its properties being challenged. A successful challenge to the precise area and location of these claims could result in the Corporation being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition.

### ***The Corporation and Its Projects Are Subject to Risks of Operating in Foreign Countries***

The Corporation's projects are subject to the risks of operating in foreign countries. The Corporation's foreign operations and investments and its ability to carry on its business in the normal course may be adversely affected by political and economic considerations such as civil unrest, war (including in neighbouring states), terrorist actions, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations, changing government regulations with respect to mining (including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Corporation's title to properties or mineral rights, problems renewing concessions and permits, opposition to mining from environmental or other non-governmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests. In addition, the enforcement by Unigold of its legal rights to exploit its properties or to utilize its permits and concessions may not be recognized by the court systems in the Dominican Republic. The occurrence of one or more of these risks could have a material and adverse effect on the viability and financial performance of its foreign operations, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition. Any of these events could also result in conditions that delay or prevent the Corporation from exploring or developing its properties even if economic quantities of minerals are found.

### ***Financing Risk***

To fund future investments in its mineral properties the Corporation requires capital. The Corporation may not have sufficient internally generated cash flow and working capital and may have to access the capital markets. Subject to economic conditions at the time, there can be no assurance the Corporation would be able to raise additional debt or equity financing on acceptable terms. If the Corporation cannot finance its future projects it could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition.

## ***Environmental Matters***

In the risks section above, reference was made to several risks impacting on environment matters. Unigold believes that it is in compliance with all environmental regulations in the Dominican Republic and has made no provision for environmental remediation costs as such costs are believed to be immaterial.

## ***Corporate Social Responsibility (“CSR”), Safety, Health and Environment.***

The Corporation engages in and adheres to the principles of sound Corporate Social Responsibility with the local communities and people where it operates. While the Corporation recognizes that the funds to achieve these goals are derived from shareholders investment in the Corporation, it also believes that those same shareholders recognize that pragmatic and cost effective CSR activity benefits all stakeholders and enables ongoing field activity with the support of local leaders, government, landowners and the community in general.

There were no lost time accidents during the period. There were no reportable environmental compliance events during the period.

## ***Future Accounting Changes***

### ***Accounting standards and interpretations issued but not yet adopted***

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective for the period ended March 31, 2016, and have not been applied in preparing these unaudited, condensed consolidated interim financial statements as follows:

- IFRS 9 – *Financial Instruments* addresses the classification and measurement of financial assets; and
- IFRS 16 – *Leases* requires that leases over one year in length be recorded as a liability. IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment.

These standards are being evaluated to determine their impact on the unaudited, condensed consolidated interim financial statements of the Corporation. IFRS 9 is effective for the Corporation’s fiscal year starting January 1, 2018. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

## ***Financial Instruments***

### ***Fair Value***

IFRS requires that the Corporation disclose information about the fair value of its financial assets and liabilities. The carrying amounts for cash and cash equivalents, sundry receivables, accounts payable and accrued liabilities on the Statements of Financial Position approximate fair value because of the limited term of these instruments. Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

### ***Credit Risk***

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Corporation’s credit risk is primarily attributable to cash, other receivables, other financial assets and other investments. Cash is held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal. Financial instruments included in other receivables consist of harmonized sales tax due from the Federal Government of Canada. Other receivables are in good standing as of March 31, 2017. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.



### ***Liquidity Risk***

As at March 31, 2017, the Corporation has working capital of \$2,275,304 (December 31, 2016 – \$2,568,555). As of March 31, 2017, the Corporation has a cash balance of \$2,304,995 (December 31, 2016– \$2,594,593 to settle current accounts payable and accrued liabilities of \$69,187 (December 31, 2016 – \$77,913). The Corporation’s other current assets consist of other receivables of \$28,817 (December 31, 2016 – \$32,468) and other financial assets and prepaids of \$10,679 (December 31, 2016 – \$19,407).

### ***Market Risk***

At the present time, the Corporation does not hold any interest in a mining property that is in production. The Corporation’s viability and potential success depends on its ability to develop, exploit, and generate revenue from the development of mineral deposits. Revenue, cash flow, and profits from any future mining operations in which the Corporation is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Corporation’s control.

### ***Foreign Exchange Risk***

The Corporation’s financings are in Canadian dollars. Certain of the Corporation's transactions with its subsidiary, Unigold Dominicana, S.R.L. are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates. The Corporation is therefore subject to foreign exchange risk. As at March 31, 2017, the Corporation had cash balances of \$101,225 (December 31, 2016 – \$192,700) in United States dollars. U.S. \$ accounts payable as at March 31, 2017 were U.S. \$nil (December 31, 2016 – U.S. \$13,248).

### ***Interest Rate Risk***

The Corporation's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. The Corporation periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions. As of March 31, 2017, interest rate risk is minimal since the Corporation has no interest-bearing debt instruments.

### ***Commodity Price Risk***

The ability of the Corporation to develop its properties and the future profitability of the Corporation is directly related to the market price of certain minerals.

### ***Sensitivity Analysis***

The Corporation is exposed to foreign currency risk of fluctuations on financial instruments that are denominated in U.S. dollars and the Dominican Republic Peso related to cash balances, other investments and accounts payable. Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have resulted in a significant fluctuation in loss for the period ended March 31, 2017. The Corporation does not undertake currency hedging activities to mitigate its foreign currency risk.

### ***Capital Management***

Unigold considers its capital structure to consist of total equity attributable to equity holders of the Corporation. The Corporation manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration and corporate activities. The Corporation’s objective in managing capital is to safeguard its ability to operate as a going concern. The Corporation is in the development stage and as such is dependent on external financing. In order to carry out planned exploration and development, and pay for administrative and operating costs, the Corporation will spend its existing working capital. The Corporation’s objective when managing capital is to safeguard the Corporation’s ability to continue as a going concern in order to pursue the exploration of its exploration properties and maximize shareholder returns. The Corporation satisfies its capital requirements through careful management of its cash resources and by equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. Management reviews its capital management approach on an ongoing basis. The Corporation is not subject to externally imposed capital requirements.

## ***Report on Internal Control over Financial Reporting and Disclosure Controls and Procedures***

In connection with Exemption Orders issued in November 2007 by each of the British Columbia Securities Commission and Ontario Securities Commission, the Chief Executive Officer and Chief Financial Officer of the

Corporation have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited, condensed consolidated interim financial statements and the accompanying related MD&A. In contrast to the certificate under National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Corporation with the Annual Filings on SEDAR at [www.sedar.com](http://www.sedar.com). Management believes that based upon the evaluations and actions taken to date, reasonable assurance can be provided that there is no material misstatement of the financial results reported as of March 31, 2017.

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

Details about the Corporation's outstanding common shares as at May 23, 2017 are as follows:

Common shares issued and outstanding	45,621,309
Potential issuance of common shares – warrants	19,740,000
Stock options issued to directors, employees, officers and consultants	3,830,000

### ***Qualified Person***

The foregoing scientific and technical information has been prepared or reviewed by Wes Hanson, P. Geo., the Chief Operating Officer of the Corporation. He also supervises all work associated with the Corporation's exploration programs in the Dominican Republic. Mr. Hanson is a "qualified person" within the meaning of National Instrument 43-101. W. Lewis P. Geo. and A. San Martin MAusIMM(CP), both employed by Micon have reviewed and approved statements associated with the mineral resource estimates.

**UNIGOLD INC.****CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the Three Months Ended March 31, 2017 and 2016  
Expressed in Canadian Dollars  
Unaudited

The accompanying unaudited condensed consolidated interim financial statements of Unigold Inc. have been prepared by and are the responsibility of management. Unigold's auditors have not reviewed the unaudited condensed interim financial statements.

**UNIGOLD INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

*(Unaudited-Expressed in Canadian Dollars)*

	Three months ended March 31,	
	2017	2016
<b>Operating expenses</b>		
Compensation ( <i>Note 11</i> )	<b>\$ 96,556</b>	\$ 78,475
Professional and consulting fees	<b>50,762</b>	15,026
Travel and business development	<b>14,872</b>	7,899
Listing and shareholder information	<b>10,617</b>	11,256
General and administrative expenses	<b>15,337</b>	18,055
Amortization	<b>186</b>	266
Loss on disposal of property, plant and equipment	<b>7</b>	4,608
Foreign exchange loss	<b>141</b>	27,428
<b>Net loss for the period before the undernoted</b>	<b>(188,478)</b>	(163,013)
Investment income	<b>4,362</b>	11
<b>Total loss and comprehensive loss for the period</b>	<b>\$ (184,116)</b>	\$ (163,002)
<b>Net loss per share - basic &amp; diluted</b> <i>(Note 10)</i>	<b>\$ (0.00)</b>	\$ (0.01)

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

**UNIGOLD INC.**

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

<b>As at,</b>	<b>March 31, 2017</b> <b>(unaudited)</b>	December 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 2,304,995	\$ 2,594,593
Other receivables	28,817	32,468
Other financial assets and prepaids	10,679	19,407
Total current assets	2,344,491	2,646,468
<b>Non-current assets</b>		
Property, plant and equipment (Note 6)	530,048	564,044
Exploration properties (Note 7)	283,747	283,747
Exploration and evaluation assets (Note 7)	39,144,130	39,000,999
<b>Total assets</b>	<b>\$ 42,302,416</b>	<b>\$ 42,495,258</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 69,187	\$ 77,913
Total liabilities	69,187	77,913
<b>Equity attributable to shareholders of the Company</b>		
Share capital (Note 8(a))	57,299,940	57,299,940
Reserve for warrants (Note 8(b))	3,249,939	3,249,939
Reserve for share-based payments (Note 8(c))	1,671,314	1,671,314
Accumulated deficit	(19,990,795)	(19,806,679)
Total equity attributable to shareholders of the Company	42,230,398	42,414,514
<b>Non-controlling interest</b>	<b>2,831</b>	<b>2,831</b>
<b>Total equity</b>	<b>42,233,229</b>	<b>42,417,345</b>
<b>Total liabilities and equity</b>	<b>\$ 42,302,416</b>	<b>\$ 42,495,258</b>

Nature of operations (Note 1)

Going concern (Note 2)

Commitments and contingencies (Notes 7 and 16)

Approved on Behalf of the Board:

s/ Joseph Del Campo  
Director

s/ Joseph Hamilton  
Director

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

UNIGOLD INC.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited-Expressed in Canadian Dollars)

	Share capital		Warrants	Other reserves		Accumulated Deficit	Equity attributable to shareholders
	Number of shares	Amount		Share-based payment	Total other reserves		
<b>Balance, January 1, 2017</b>	<b>45,621,309</b>	<b>\$ 57,299,940</b>	<b>\$ 3,249,939</b>	<b>\$ 1,671,314</b>	<b>\$ 4,921,253</b>	<b>\$ (19,806,679)</b>	<b>\$ 42,414,514</b>
Share-based payment	–	–	–	–	–	–	–
Transfer to deficit on expiry	–	–	–	–	–	–	–
Net loss for the period	–	–	–	–	–	(184,116)	(184,116)
<b>Balance March 31, 2017</b>	<b>45,621,309</b>	<b>\$ 57,299,940</b>	<b>\$ 3,249,939</b>	<b>\$ 1,671,314</b>	<b>\$ 4,921,253</b>	<b>\$ (19,990,795)</b>	<b>\$ 42,230,398</b>

	Share capital		Warrants	Other reserves		Accumulated Deficit	Equity attributable to shareholders
	Number of shares	Amount		Share-based payment	Total other reserves		
<b>Balance, January 1, 2016</b>	29,471,309	\$ 55,075,544	\$ 1,099,080	\$ 1,304,771	\$ 2,403,851	\$(18,878,831)	\$38,600,564
Net loss for the period	–	–	–	–	–	(163,002)	(163,002)
<b>Balance March 31, 2016</b>	29,471,309	55,075,544	1,099,080	1,304,771	2,403,851	(19,041,833)	38,437,562
Private placement	16,000,000	4,800,000	–	–	–	–	4,800,000
Share issue costs	–	(454,442)	–	–	–	–	(454,442)
Warrants issued	–	(2,150,859)	2,150,859	–	2,150,859	–	–
Options exercised	150,000	29,697	–	(14,697)	(14,697)	–	15,000
Share-based payment	–	–	–	591,399	591,399	–	591,399
Net loss for the period	–	–	–	–	–	(665,535)	(665,535)
<b>Balance June 30, 2016</b>	45,621,309	57,299,940	3,249,939	1,881,473	5,131,412	(19,707,368)	42,723,984
Transfer to deficit on expiry	–	–	–	(105,572)	(105,572)	105,572	–
Share-based payment	–	–	–	49,697	49,697	–	49,697
Net loss for the period	–	–	–	–	–	(140,204)	(140,204)
<b>Balance September 30, 2016</b>	45,621,309	57,299,940	3,249,939	1,825,598	5,075,537	(19,742,000)	42,633,477
Transfer to deficit on expiry	–	–	–	(154,284)	(154,284)	154,284	–
Net loss for the period	–	–	–	–	–	(218,963)	(238,963)
<b>Balance, December 31, 2016</b>	<b>45,621,309</b>	<b>\$ 57,299,940</b>	<b>\$ 3,249,939</b>	<b>\$ 1,671,314</b>	<b>\$ 4,921,253</b>	<b>\$ (19,806,679)</b>	<b>\$ 42,414,514</b>

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

UNIGOLD INC.

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited-Expressed in Canadian Dollars)

For the three month period ended March 31,	2017	2016
<b>Cash flows from operating activities</b>		
Net loss for the period	\$ (184,116)	\$ (163,002)
Adjustments to add/(deduct) non-cash items		
Amortization	186	266
Loss on disposal of property, plant and equipment	7	4,608
Deduct investment income	(2,252)	(11)
	<b>(186,175)</b>	<b>(158,139)</b>
Working capital adjustments		
Other receivables	3,651	(196)
Other financial assets and prepaids	8,728	13,780
Accounts payable and accrued liabilities	(8,726)	46,841
Net cash flows from operating activities	<b>(182,522)</b>	<b>(97,714)</b>
<b>Cash flows from investing activities</b>		
Disposal of fixed assets	5,761	300
Acquisition of exploration and evaluation assets	(115,089)	(335,270)
Investment income	2,252	11
Net cash flows from investing activities	<b>(107,076)</b>	<b>(334,959)</b>
<b>Cash flows from financing activities</b>		
Net cash flows from financing activities	–	–
<b>Net decrease in cash</b>	<b>(289,598)</b>	<b>(432,673)</b>
Cash, beginning of period	2,594,593	596,348
<b>Cash, end of period</b>	<b>\$ 2,304,995</b>	<b>\$ 163,675</b>

Supplemental information pertaining to cash flows (Note 13)

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

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

*For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

### **1. Nature of Operations and Basis of Presentation**

#### ***Nature of operations***

Unigold Inc. (“Unigold” or the “Company”) was incorporated pursuant to the Business Corporations Act (Ontario) on May 9, 1990. The Company’s executive office is located at 44 Victoria Street, Suite 1102, Toronto, Ontario M5C 1Y2.

Unigold is in the process of exploring its property in the Dominican Republic.

#### ***Basis of presentation***

These condensed consolidated interim financial statements include the accounts of the Corporation, and its wholly owned subsidiary, Unigold Resources Inc., which is incorporated in Canada under the Canada Business Corporations Act, and its 97% owned subsidiary, Unigold Dominicana, S.R.L., which is incorporated in the Dominican Republic. All material intercompany balances and transactions have been eliminated.

### **2. Going Concern**

These condensed consolidated interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. Management feels that there is a material uncertainty, which causes significant doubt about the Company’s ability to continue as a going concern. To address its financing requirements, the Company will seek financing through measures that may include joint venture agreements, debt and equity financings, asset sales, and rights offerings to existing shareholders.

It is not possible to predict whether financing efforts will be successful or if Unigold will attain profitable levels of operation. These condensed consolidated interim financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. These adjustments could be material.

### **3. Measurement Uncertainty**

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and exploration and evaluation assets, and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. All of the Company’s exploration properties are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory and environmental requirements.

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

*For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

### **4. Summary of Significant Accounting Policies**

#### **(a) Statement of compliance**

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* using the accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These condensed consolidated interim financial statements have been prepared on the basis of and using accounting policies, methods of computation and presentation consistent with those applied in Unigold’s 2016 Consolidated Annual Financial Statements. The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of May 23, 2017, the date the Audit Committee approved these statements. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on change-over to IFRS.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. See *Note 5*.

#### **(b) Basis of preparation**

The condensed consolidated interim financial statements are presented in Canadian dollars. The financial statements are prepared on the historical cost basis. In addition, these financial statements are prepared using the accrual basis of accounting except for cash flow information.

#### **(c) Accounting standards and interpretations issued but not yet adopted**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment



## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

*For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

These standards are being evaluated to determine their impact on the consolidated financial statements of the Company.

### **(d) Accounting policies**

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied to the Company's annual consolidated financial statements for the year ended December 31, 2016 and the corresponding interim reporting period. *Note 4* to those annual statements describes the significant accounting policies used by the Company. These interim financial statements do not include all the notes of the type normally included in an annual financial report and therefore should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016, as they provide an update of previously reported information.

## **5. Significant Accounting Judgments and Estimates**

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

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

- i. the recoverability of exploration properties and exploration and evaluation assets which are included in the condensed consolidated interim statement of financial position;
- ii. the inputs used in accounting for valuation of warrants and options which are included in the condensed consolidated interim statement of financial position;
- iii. the inputs used in accounting for share-based compensation expense in the condensed consolidated interim statement of comprehensive loss;
- iv. the nil provision for asset retirement obligations which is included in the condensed consolidated interim statement of financial position;
- v. the estimated useful life of property, plant and equipment; and
- vi. the existence and estimated amount of contingencies (*Note 16*).

## **6. Property, Plant and Equipment**

Vehicles, field equipment, and camp and buildings relate to the Company's exploration activities. During the three month period ended March 31, 2017, \$28,042 (2016 – \$35,939) of amortization was capitalized to exploration and evaluation assets.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended March 31, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

Cost	Land	Office furniture and equipment	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
Balance December 31, 2015	\$ 13,771	\$ 14,873	\$ 130,482	\$ 77,316	\$ 1,396,041	\$ 324,725	\$ 1,957,208
Additions	–	–	–	–	–	3,920	3,920
Disposals/transfer	–	(14,873)	–	–	–	–	(14,873)
Balance December 31, 2016	\$ 13,771	\$ –	\$ 130,482	\$ 77,316	\$ 1,396,041	\$ 328,645	\$ 1,946,255
Disposals	–	–	–	(25,559)	–	–	(25,559)
Balance March 31, 2017	\$ 13,771	\$ –	\$ 130,482	\$ 51,757	\$ 1,396,041	\$ 328,645	\$ 1,920,696

Amortization and impairment	Land	Office furniture and equipment	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
Balance December 31, 2015	\$ –	\$ 10,000	\$ 88,700	\$ 53,593	\$ 916,349	\$ 178,779	\$ 1,247,421
Amortization	–	–	12,536	7,116	95,950	29,188	144,790
Disposals/transfer	–	(10,000)	–	–	–	–	(10,000)
Balance December 31, 2016	\$ –	\$ –	\$ 101,236	\$ 60,709	\$ 1,012,299	\$ 207,967	\$ 1,382,211
Amortization	–	–	2,193	813	19,188	6,034	26,228
Disposals	–	–	–	(19,791)	–	–	(19,791)
Balance March 31, 2017	\$ –	\$ –	\$ 103,429	\$ 41,731	\$ 1,031,487	\$ 214,001	\$ 1,390,648

	Land	Office furniture and equipment	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
At December 31, 2016	\$ 13,771	\$ –	\$ 29,246	\$ 16,607	\$ 383,742	\$ 120,678	\$ 564,044
At March 31, 2017	13,771	–	27,053	10,026	364,544	114,644	530,048

**7. Exploration Properties and Exploration and Evaluation Assets**

Exploration properties and deferred exploration and evaluation costs consist of the following:

	Balance December 31, 2015	2016 Additions	Balance December 31, 2016	2017 Additions	Balance March 31, 2017
<b>Exploration property interests</b>					
Neita,	\$ 283,747	\$ –	\$ 283,747	\$ –	\$ 283,747
<b>Exploration and evaluation assets</b>					
Neita,	\$ 37,135,894	\$ 1,865,105	\$ 339,000,999	\$ 143,131	\$ 39,144,130

**Neita**

The Company owns 100% of the exploration rights for gold, silver, copper, zinc and all associated minerals on the Neita Property in the northwestern Dominican Republic, as well as a sole and exclusive option for the commercial mining of the mineral deposits. In March 2012, Unigold's concession was renewed until March 2015 with option for two one-year renewals. In March 2015, the first one-year renewal was granted. In February 2016, the second one-year renewal was granted. As at May 23, 2017, the concession is expired but, pertaining to the prerogatives set forth

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended March 31, 2017 and 2016*

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by Article 16 of the Mining Law Application Rules, management understands that the exclusive right of the concession area is protected by the application of a new exploration concession, which was duly filed by the Company on November 26th, 2016. As at May 23, 2017, the Dominican Republic General Mines Direction is analyzing the exploration concession application. To the knowledge of management, there are no technical issues that would justify the denial of the application.

During the period ended March 31, 2017, \$28,042 (2016 – \$35,939) of amortization was capitalized to exploration and evaluation assets and \$nil (2016 – \$nil) of non-cash share-based expense was capitalized to exploration and evaluation assets.

**8. Equity Attributable to Equity Holders of the Company****(a) Common shares***Authorized, issued and outstanding shares*

Common shares, no par value, authorized unlimited number of shares, issued and outstanding were 45,621,309 shares as at March 31, 2017 (December 31, 2016 – 45,621,309).

	Number of shares	\$
Balance December 31, 2015	29,471,309	55,075,544
Balance March 31, 2016	29,471,309	55,075,544
Private placements	16,000,000	(454,442)
Cash share issue costs	–	(1,990,736)
Value assigned to warrants issued	–	(160,123)
Value assigned to broker units	–	15,000
Option exercise	150,000	14,697
Option exercise-transfer of valuation	–	4,800,000
Balance June 30, 2016	45,621,309	57,299,940
Balance September 30, 2016	45,621,309	57,299,940
Balance December 31, 2016	45,621,309	57,299,940
<b>Balance March 31, 2017</b>	<b>45,621,309</b>	<b>57,299,940</b>

**(b) Reserve for warrants**

A summary of share purchase warrants outstanding and changes during the periods indicated is presented below:

	Number of Warrants	Weighted average exercise price \$	Weighted average grant date fair value \$
Balance, December 31, 2015	1,500,000	5.00	1,099,080
Balance March 31, 2016	1,500,000	5.00	1,099,080
Private placement	16,000,000	0.45	1,990,736
Broker Units	1,120,000	0.30	160,123
Balance, June 30, 2016	18,620,000	0.81	3,249,939
Balance September 30, 2016	18,620,000	0.81	3,249,939
Balance December 30, 2016	18,620,000	0.81	3,249,939
<b>Balance March 31, 2017</b>	<b>18,620,000</b>	<b>0.81</b>	<b>3,249,939</b>

As a result of the private placement financing in May 2016, the Company issued 16,000,000 warrants. Each Warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of \$0.45 at any time prior to May 25, 2018. The Company has the right to accelerate the expiry date of the Warrants on notice to the holders of Warrants if the closing price of the Company's common shares on a stock exchange in Canada is higher

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

than \$0.90 per common share for more than 20 consecutive trading days at any time after September 26, 2016, in which case the Warrants will expire 30 days after the date on which such notice is given.

The fair value of the warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected life	2 years
Expected volatility	245 %
Risk-free rate	0.63%
Expected annual dividend	Nil
Grant date fair value	\$0.124

In connection with the closing of the Private Placement, the Company issued an aggregate of 1,120,000 broker units (the "Broker Units"). Each Broker Unit entitles the holder thereof to purchase one unit of the Company until May 25, 2018 at an exercise price of \$0.30 per unit. Each unit consists of one common share of the Company and one common share purchase warrant of the Company having the same terms as the Warrants.

The fair value of the broker warrants issued in this private placement was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Expected life	2 years
Expected volatility	245 %
Risk-free rate	0.63%
Expected annual dividend	Nil
Grant date fair value	\$0.143

As a result of the International Finance Corporation ("IFC") financing in September 2013, the Company issued 1,500,000 IFC Warrants to purchase common shares of the Company at a price of \$5.00 per share until June 10, 2017. An "accelerator clause" applies to 50% of the warrants. If the Company has filed a NI 43-101 compliant mineral resource estimate outlining 3,000,000 ounces of gold and the stock price trades above \$10.00 for thirty days, then Unigold may call for exercise of 50% of the warrants that, if not exercised, will expire in 60 days.

At March 31, 2017 and December 31, 2016 the Company had warrants issued as follows:

Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Warrants Exercisable	Expiry Date
\$5.00	1,500,000	0.2	1,500,000	June 10, 2017
\$0.45	16,000,000	1.2	16,000,000	May 25, 2018
\$0.30	1,120,000	1.2	1,120,000	May 25, 2018
<b>\$0.81</b>	<b>18,620,000</b>	<b>1.1</b>	<b>18,620,000</b>	

**(c) Reserve for share-based payment**

A summary of share-based payment reserve activity during the periods indicated is presented below:

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

	\$
Balance December 31, 2015	1,304,771
Balance March 31, 2016	1,304,771
Granted – employee stock options	591,399
Exercised	(14,697)
Balance June 30, 2016	1,871,473
Expired/forfeited – transferred to deficit	(105,572)
Granted – employee stock options	49,697
Balance September 30, 2016	1,825,598
Expired/forfeited-transferred to deficit	(154,284)
Balance December 31, 2016	1,671,314
<b>Balance March 31, 2017</b>	<b>1,671,314</b>

**9. Share - Based Payment – Employee Stock Option Plan**

The Company has a stock option plan (the “Plan”), the purpose of which is to attract, retain and motivate management, staff and consultants by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of options to be issued under the Plan shall not exceed 10% of the total number of common shares issued and outstanding. The options are non-transferable and may be granted for a term not exceeding five years. The exercise price of the options shall be determined by the board of directors on the basis of the market price of the common shares, subject to all applicable regulatory requirements.

A summary of the Plan activity during the periods indicated is presented below:

	Number	Weighted average exercise price \$
Balance December 31, 2015	2,507,500	0.76
Balance March 31, 2016	2,507,500	0.76
Granted	1,700,000	0.35
Exercised	(150,000)	0.10
Balance June 30, 2016	4,057,500	0.61
Expired/forfeited	(87,500)	1.82
Granted	100,000	0.50
Balance September 30, 2016	4,070,000	0.58
Expired/forfeited	(340,000)	1.10
Balance December 31, 2017	3,830,000	0.55
<b>Balance March 31, 20017</b>	<b>3,830,000</b>	<b>0.55</b>

As at March 31, 2017 the Company had stock options issued to directors, officers, employees and consultants of the Company as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life – Years	Number of Options Exercisable	Expiry Date
\$3.30	240,000	0.3	240,000	June 26, 2017
\$2.80	75,000	1.0	75,000	March 27, 2018
\$1.00	315,000	1.2	315,000	July 3, 2018
\$0.10	1,400,000	3.3	1,400,000	Sep.30, 2020
\$0.35	1,700,000	4.2	1,700,000	June 22, 2021
\$0.50	100,000	4.3	100,000	July 21, 2021
<b>\$0.55</b>	<b>3,830,000</b>	<b>3.4</b>	<b>3,830,000</b>	

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

As at March 31, 2017, there are 732,131 options available for grant (2016 – 439,631). During the quarter ended March 31, 2017 share-based payment expense of \$nil was recorded (2016– \$nil). In addition, \$nil (2016– \$nil) was capitalized to exploration and evaluation assets. The weighted average exercise price of stock options exercisable as at March 31, 2017 is \$0.55 (March 31, 2016 – \$0.76).

**10. Net Loss per Share**

For the three months ended March 31, 2017 and 2016, the outstanding stock options and warrants were not included in the computation of the diluted net loss per share because the effect was anti-dilutive.

	Three months ended March 31,	
	2017	2016
Loss attributable to shareholders	<b>\$ 184,116</b>	\$ 163,002
Weighted average number of shares	<b>45,621,309</b>	29,471,309
Basic loss per share	<b>\$ 0.00</b>	\$ 0.01
Incremental shares on assumed exercise of options and warrants	–	–
Weighted average number of shares	<b>45,621,309</b>	29,471,309
Diluted loss per share	<b>\$ 0.00</b>	\$ 0.01

**11. Compensation**

The compensation expense of the Company was as follows:

	Three months ended March 31,	
	2017	2016
Salaries and non-wage costs	<b>\$ 66,556</b>	\$ 48,475
Directors' fees	<b>30,000</b>	30,000
	<b>\$ 96,556</b>	\$ 78,475

**12. Related Party Transactions**

The Company's related parties as defined by IAS 24, *Related Party Disclosures*, include the Company's subsidiaries (*Note 1*), the Board of Directors, close family members and enterprises that are controlled by these individuals and key management as well as certain persons performing similar functions. The remuneration of directors and key management of the Company was as follows.

	Three months ended March 31,	
	2017	2016
Aggregate compensation	<b>\$ 102,900</b>	\$ 123,625
	<b>\$ 102,900</b>	\$ 123,625

Included in the accounts for the periods ended March 31, 2016 and 2015 are payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Company as follows:

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

	Three months ended March 31,	
	2017	2016
Management services fees paid to corporations controlled by or under significant influence of an officer of the Company	\$ 9,000	\$ 48,125
Professional fees paid to officers	61,650	45,500
	<b>\$ 70,650</b>	<b>\$ 93,625</b>

These transactions were in the normal course of operations. .

**13. Supplemental Information Pertaining to Cash Flows**

	Three months ended March 31,	
	2017	2016
Income taxes paid	\$ –	\$ –
Change in accrued exploration and evaluation assets	16,564	24,191
Amortization included in exploration and evaluation assets ( <i>Note 6, 7</i> )	28,042	35,939
Share-based payments charged to exploration and evaluation assets ( <i>Note 7</i> )	–	–

**14. Financial Risk Management**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

**(a) Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and other receivables.

Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss to be minimal.

Financial instruments included in other receivables consist of sales tax due from the Federal Government of Canada. Other receivables are in good standing as of March 31, 2017. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.

**(b) Liquidity risk**

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, administrative, and exploration and evaluation expenditures. The Company ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at March 31, 2017, the Company has working capital of \$2,275,304 (December 31, 2016 – \$2,568,555). As of March 31, 2017, the Company has a cash balance of \$2,304,995 (December 31, 2016– \$2,594,593 to settle current accounts payable and accrued liabilities of \$69,187 (December 31, 2016 – \$77,913). The Company's other current

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*For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

assets consist of other receivables of \$28,817 (December 31, 2016 – \$32,468) and other financial assets and prepaids of \$10,679 (December 31, 2016 – \$19,047).

See also *Note 2* – Going Concern.

**(c) Market risk**

At the present time, the Company does not hold any interest in a mining property that is in production. The Company's viability and potential success depends on its ability to develop, exploit, and generate revenue from the development of mineral deposits. Revenue, cash flow, and profits from any future mining operations in which the Company is involved will be influenced by precious and/or base metal prices and by the relationship of such prices to production costs. Such prices can fluctuate widely and are affected by numerous factors beyond the Company's control.

**(d) Foreign exchange risk**

The Company's financings are in Canadian dollars. Certain of the Company's transactions with its subsidiary, Unigold Dominicana, S.R.L. are incurred in foreign currencies and are therefore subject to gains or losses due to fluctuations in exchange rates. The Company is therefore subject to foreign exchange risk. As at March 31, 2017, the Company had cash balances of \$101,225 (December 31, 2016 – \$192,700) in United States dollars. U.S. \$ accounts payable as at March 31, 2017 were U.S. \$nil (December 31, 2016 – U.S. \$13,248).

Sensitivity to a plus or minus 5% change in the foreign exchange rate would not have resulted in a significant fluctuation in the loss for the period ended March 31, 2017. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

**(e) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to earn interest on bank balances which approximate rates available from investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions. As of March 31, 2017, interest rate risk is minimal since the Company has no interest-bearing debt instruments.

A sensitivity analysis has determined that an interest rate fluctuation of 5% in interest rates would not have resulted in significant fluctuation in the interest income during the period ended March 31, 2017.

**(f) Fair value of financial assets and liabilities**

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The book values of cash, other receivables, other financial assets, and accounts payable and accrued liabilities, approximate their respective fair values due to the short-term nature of these instruments.

The following is a summary of the Company's financial instruments:



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Unaudited-Expressed in Canadian dollars unless otherwise stated.

	As at <b>March 31, 2017</b>		December 31, 2016	
	<b>Carrying Amount</b>	<b>Fair Value</b>	Carrying Amount	Fair Value
Cash	<b>\$ 2,304,995</b>	<b>\$ 2,304,995</b>	\$ 2,594,593	\$ 2,594,593
Other receivables	<b>28,817</b>	<b>28,817</b>	32,468	32,468
Accounts payable and accrued liabilities	<b>69,187</b>	<b>69,187</b>	77,913	77,913

**15. Capital Risk Management**

The Company considers its capital structure to consist of equity attributable to shareholders of the Company which at March 31, 2017 was \$42,230,398 (December 31, 2016 – \$42,414,514). The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration and operations activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing its existing credit facility or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. Management reviews its capital management approach on an ongoing basis. The Company and its subsidiaries are not subject to externally imposed capital requirements.

**16. Commitments and Contingencies****(a) Legal proceedings**

The Company and its entities are party to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, on final disposition, could have a material adverse effect on the financial position of the Company.

**(b) Environmental matters**

The Company has operated in the mineral exploration industry in the Dominican Republic for many years. The enforcement of environmental regulation in the Dominican Republic is evolving and the enforcement posture of government authorities is continually being reconsidered. The Company periodically evaluates its obligations under environmental regulations.

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**(c) Guarantees**

The Company has no guarantees outstanding.

**(d) Contingencies**

The Company is a party to certain employment contracts. These contracts contain clauses requiring that \$nil be paid on termination resulting from a change of control of the Company, \$14,000 be paid on termination for other than cause. The Dominican Republic has laws requiring payments of approximately \$84,000 if those employees are terminated. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the periods ended March 31, 2017 and 2016

Unaudited-Expressed in Canadian dollars unless otherwise stated.

**(e) Operating contractual obligations**

Minimum contractual payments over the next five years are estimated as follows:

Year	Total	2017	2018	2019	2020	2021
Office lease	\$8,000	\$8,000	\$ –	\$ –	\$ –	\$ –
Services	126,000	126,000	–	–	–	–
	\$134,000	\$134,000	\$ –	\$ –	\$ –	\$ –

The Company has entered into a lease for office premises. The lease has a life of nine months (December 31, 2016 – one year) with renewal terms at the option of the lessee at lease payments based on market prices at the time of renewal. There are no restrictions placed upon the lessee by entering into these leases. Payments recognized as an expense were as follows:

Period ended March 31,	2017	2016
Lease payments	\$ 1,585	\$ 6,163

Non-cancellable operating lease commitments:

	As at	March 31, 2017	December 31, 2016
Within one year		\$ 6,000	\$ 4,500
After one year but not more than five years		–	–
More than five years		–	–

**(f) 2015 Private Placement**

In connection with the 2015 private placement, an investment agreement was signed which gives Osisko Gold Royalties Ltd. (“Osisko”) the following rights:

(i) Participation Right: As long as Osisko holds Unigold shares equal to at least 10% of the issued and outstanding Unigold shares on a non-diluted basis, Osisko will have the right to participate in future equity financings by Unigold on a pro rata basis to its non-diluted shareholding at the applicable time.

(ii) Nomination Right: As long as Osisko holds Unigold shares equal to at least 10% of the issued and outstanding Unigold Shares on a non-diluted basis, Osisko will be entitled to nominate the greater of: (a) two (2) nominees, and (b) the number of nominees obtained by multiplying Osisko’s percentage ownership of Unigold Shares (on a non-diluted basis) by the number of directors Unigold’s management slate of nominees proposed to the Board (fractional numbers being rounded down to the nearest whole number) at any meeting of shareholders of Unigold.

(iii) Royalty Option: Osisko will be granted an option to purchase a 2% net smelter return (“NSR”) royalty on Unigold’s Neita property for a consideration of \$2,000,000, exercisable 90 days following the delivery of a feasibility study. Once exercised, Unigold will have the right to repurchase a 1% NSR (being 50% of the 2% NSR held by Osisko) for \$1,000,000 until 90 days following the achievement of commercial production.

(iv) Royalty/Stream Right: As long as Osisko holds Unigold shares equal to at least 10% of the issued and outstanding Unigold shares on a non-diluted basis, Osisko will have the right of first refusal over any royalty, stream, forward, off-take, gold loan or other agreement involving the sale of a similar interest in products from properties of Unigold that Unigold proposes to enter into from time to time. In the event that Osisko does not exercise its right of first refusal, Unigold may thereafter offer such right to a third party on terms no more favourable to such third party than those offered to Osisko.

**17. Segmented Information**

The Company’s only activity is mineral exploration and evaluation. All of the Company’s land, vehicles, field equipment, and camp and buildings (see Note 6) are physically located in the Dominican Republic. All of the Company’s exploration and evaluation activities referred to in Note 7 relate to properties in the Dominican Republic.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS***For the periods ended March 31, 2017 and 2016*

Unaudited-Expressed in Canadian dollars unless otherwise stated.

<b>As at and for the period ended March 31, 2017</b>			
	<b>Canada</b>	<b>Dominican Republic</b>	<b>Total</b>
Assets	\$ 2,250,106	40,052,310	\$ 42,302,416
Liabilities	65,478	3,709	69,187
Amortization expense	(185)	–	(185)
Investment income	4,344	18	4,362
Financing expense	–	–	–
Other expenses	(185,222)	(3,071)	(188,293)
<b>As at and for the period ended December 31, 2016</b>			
	<b>Canada</b>	<b>Dominican Republic</b>	<b>Total</b>
Assets	\$ 2,548,980	\$ 39,946,278	\$ 42,495,258
Liabilities	62,752	15,161	77,913
Amortization expense	(1,064)	–	(1,064)
Investment income	19,734	33	19,767
Financing expense	–	–	–
Other expenses	(1,178,186)	(30,349)	(1,208,535)

## **Corporate information**

### **Directors**

Jose Acero

*President of Metales Antillanos S.A.  
Santo Domingo, Dominican Republic*

Daniel Danis, MSc, P.Geo. <sup>(2)(5)</sup>

*Businessman  
Laval, Quebec, Canada*

Joseph Del Campo, CPA, CMA <sup>(1)(3)(6)</sup>

*Interim President and Chief Executive Officer of Unigold  
Woodbridge, Ontario, Canada*

Joseph Hamilton, P.Geo., CFA <sup>(1)(3)(4)(5)</sup>

*Consulting Geologist  
Campbellcroft, Ontario, Canada*

Ruben Padilla <sup>(5)</sup>

*Chief Geologist, Talisker Explorations Services Inc.  
Toronto, Ontario*

Charles Page, MSc, P.Geo. <sup>(1)(2)(5)</sup>

*Consulting Geologist  
Burlington, Ontario, Canada*

(1) Audit Committee

(2) Compensation Committee

(3) Corporate Governance  
and Nominating Committee

(4) Chairman

(5) Technical Committee

(6) Corporate Social Responsibility Committee

### **Officers**

Joseph Del Campo, CPA, CMA

*Interim President and Chief Executive Officer*

John Green, MBA, CPA, CMA

*Chief Financial Officer and  
Corporate Secretary*

Wes Hanson, P.Geo. <sup>(5)(6)</sup>

*Chief Operating Officer*

### **Stock Listing**

TSX Venture Exchange, Tier 2 Corporation,

Trading Symbol: UGD

CUSIP: 90476X

### **Auditors**

UHY McGovern Hurley LLP,

Toronto, Ontario

### **Legal Counsel**

Bennett Jones LLP,

Toronto, Ontario

Marat Legal, S.R.L.

Santo Domingo, Dominican Republic

### **Registrar & Transfer Agent**

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Toronto, Ontario

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### **Investor Relations**

Further information about the Corporation or copies of the Annual or Quarterly Reports and press releases are available from the Corporation's website at [www.unigoldinc.com](http://www.unigoldinc.com).

The Corporation's filings with Canadian securities regulatory authorities can be accessed on SEDAR at [www.sedar.com](http://www.sedar.com).