



UNIGOLD INC.
CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018

Expressed in Canadian Dollars

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management has prepared the information and representations in this 2019 year-end report. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgement. The financial information presented throughout this report is consistent with the data presented in the consolidated financial statements.

In the opinion of management, Unigold Inc. maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors. This Committee meets periodically with management and the external auditors to review accounting, auditing, internal control and financial reporting matters.

McGovern Hurley LLP, Chartered Professional Accountants, have audited the 2019 consolidated financial statements and their report outlines the scope of their examination and gives their opinion on the 2019 consolidated financial statements.

s/ Joseph Hamilton
Chairman and Chief Executive Officer

s/ Donna McLean
Chief Financial Officer

May 5, 2020

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Unigold Inc.

Opinion

We have audited the consolidated financial statements of Unigold Inc. and its subsidiaries (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of changes in shareholders' equity, consolidated statements of loss and comprehensive loss and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. 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.

Other information

Management is responsible for the other information. The other information comprises 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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, 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 Corporation'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 Corporation or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 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 judgement 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 risks 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 Corporation'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 Corporation'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

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auditor's report. However, future events or conditions may cause the Corporation 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.

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.

The engagement partner of the audit resulting in this independent auditor's report Glen McFarland.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
May 5, 2020

UNIGOLD INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash	\$ 1,372,210	\$ 549,412
Other receivables	23,638	12,668
Other financial assets and prepaids	68,249	22,387
Total current assets	1,464,097	584,467
Non-current assets		
Property, plant and equipment <i>(Note 6)</i>	230,326	285,130
Exploration properties <i>(Note 7)</i>	283,747	283,747
Exploration and evaluation assets <i>(Note 7)</i>	41,760,970	40,207,985
Total assets	\$ 43,739,140	\$ 41,361,329
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 94,663	\$ 156,955
Total liabilities	94,663	156,955
Equity attributable to shareholders of the Corporation		
Share capital <i>(Note 8(a))</i>	59,892,350	57,309,839
Reserve for warrants <i>(Note 8(b))</i>	482,966	1,990,736
Reserve for share-based payments <i>(Note 8(c))</i>	1,135,429	708,338
Accumulated deficit	(17,869,099)	(18,807,370)
Total equity attributable to shareholders of the Corporation	43,641,646	41,201,543
Non-controlling interest	2,831	2,831
Total equity	43,644,477	41,204,374
Total liabilities and equity	\$ 43,739,140	\$ 41,361,329

Nature of operations *(Note 1)*

Going concern *(Note 2)*

Commitments and contingencies *(Note 16)*

Approved on Behalf of the Board of Directors:

s/ Joseph Del Campo
Director

s/ Joseph Hamilton
Director

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

UNIGOLD INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Share capital		Other reserves			Accumulated deficit	Equity attributable to shareholders
	Number of common shares	Amount	Warrants	Share-based payments	Total other reserves		
Balance, December 31, 2017	45,671,309	\$ 57,309,839	\$ 2,150,859	\$ 1,053,061	\$ 3,203,920	\$ (18,701,801)	\$ 41,811,958
Transfer to deficit on expiry	–	–	(160,123)	(344,723)	(504,846)	504,846	–
Net loss for the year	–	–	–	–	–	(610,415)	(610,415)
Balance, December 31, 2018	45,671,309	\$ 57,309,839	\$ 1,990,736	\$ 708,338	\$ 2,699,074	\$ (18,807,370)	\$ 41,201,543
Transfer to deficit on expiry	–	–	(1,990,736)	–	(1,990,736)	1,990,736	–
Private placement	32,350,000	2,582,511	482,966	–	482,966	–	3,065,477
Options granted	–	–	–	427,091	427,091	–	427,091
Net loss for the year	–	–	–	–	–	(1,052,465)	(1,052,465)
Balance, December 31, 2019	78,021,309	\$ 59,892,350	\$ 482,966	\$ 1,135,429	\$ 1,618,395	\$ (17,869,099)	\$ 43,641,646

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

UNIGOLD INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

For the year ended December 31,	2019	2018
Operating expenses		
Compensation (<i>Note 11</i>)	\$ 760,687	\$ 297,355
Professional and consulting fees	100,046	68,463
Travel and business development	30,401	29,668
Listing and shareholder information	54,693	37,965
General and administrative expenses	97,115	88,360
Loss on disposal of equipment	–	89,703
Foreign exchange loss (gain)	13,810	(1,164)
Net loss for the year before the undernoted	(1,056,752)	(610,350)
Investment income (expense)	4,287	(65)
Net loss and comprehensive loss for the year	\$ (1,052,465)	\$ (610,415)
Net loss per share - basic and diluted (<i>Note 10</i>)	\$ (0.02)	\$ (0.01)

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

UNIGOLD INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

For the year ended December 31,	2019	2018
Cash flows from operating activities		
Net loss for the year	\$ (1,052,465)	\$ (610,415)
Adjustments to add/(deduct) non-cash items		
Share-based compensation	311,301	–
Loss on disposal of equipment	–	89,703
(Deduct) add investment (income) expense	(4,287)	65
	(745,451)	(520,647)
Working capital adjustments		
Other receivables	(7,533)	(1,487)
Other financial assets and prepaids	(45,862)	(4,008)
Accounts payable and accrued liabilities	(8,387)	52,323
Net cash flows used in operating activities	(807,233)	(473,819)
Cash flows from investing activities		
Exploration and evaluation assets	(1,436,296)	(441,054)
Investment income	850	11,026
Net cash flows used in investing activities	(1,435,446)	(430,028)
Cash flows from financing activities		
Private placement proceeds	3,235,000	–
Share issue costs	(169,523)	–
Net cash flows from financing activities	3,065,477	–
Net increase (decrease) in cash	822,798	(903,847)
Cash, beginning of year	549,412	1,453,259
Cash, end of year	\$ 1,372,210	\$ 549,412

Supplemental information pertaining to cash flows (Note 15)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Expressed in Canadian dollars unless otherwise stated.

1. Nature of Operations and Basis of Presentation

Nature of operations

Unigold Inc. (“Unigold” or the “Corporation”) was incorporated pursuant to the Business Corporations Act (Ontario) on May 9, 1990. The Corporation’s corporate head office is located at 401 Bay Street, Suite 2100, P.O. Box 55, Toronto, ON M5H 2Y4.

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

Basis of presentation

These consolidated 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 consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation 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 Corporation's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. To address its financing requirements, the Corporation will seek financing through measures that may include joint venture agreements, debt and equity financings, asset sales, and rights offerings to existing shareholders or other financial transactions.

It is not possible to predict whether financing efforts will be successful or if Unigold will attain profitable levels of operation. These consolidated 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 Corporation 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 Corporation’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 Corporation to raise alternative financing, if necessary, or alternatively upon the Corporation’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 Corporation’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 Corporation 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 Corporation’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory, social and environmental requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

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4. Summary of Significant Accounting Policies

(a) Statement of compliance

The accounting policies applied in these consolidated financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as of May 5, 2020, the date the Board of Directors approved these financial statements. The policies set out below have been consistently applied to all periods presented unless otherwise noted.

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

(b) Basis of preparation

The consolidated financial statements are presented in Canadian dollars and are prepared on the historical cost basis. In addition, these consolidated 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, 2020 or later periods. Many are not applicable or do not have a significant impact to the Corporation and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Corporation.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

(d) Foreign currencies

The Corporation and its subsidiaries consider the Canadian dollar to be their functional currency of their primary operations. Transactions in foreign currencies are translated into the currency of measurement at the exchange rates in effect on the transaction date. Monetary statement of financial position items expressed in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. The resulting exchange gains and losses are recognized in profit or loss. The Corporation’s presentation currency is the Canadian dollar.

(e) Cash

Cash includes cash on hand and balances with banks. Deposits are held in a Canadian chartered bank or a financial institution controlled by a Canadian chartered bank.

(f) Property, plant and equipment and amortization

Property, plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate of the rehabilitation provisions, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Expressed in Canadian dollars unless otherwise stated.

value of any other consideration given to acquire the asset. Where an item of property, plant and equipment comprises significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. The property, plant and equipment noted below are amortized over their estimated useful lives using the following annual rates and methods. The assets' residual values, useful lives and methods of amortization are reviewed at each reporting period and adjusted prospectively if appropriate.

- Office furniture and equipment 20% declining balance
- Computer equipment 30% declining balance
- Vehicles 30% declining balance
- Field equipment 20% declining balance
- Camp and buildings 20% declining balance

Amortization of property, plant and equipment related to exploration activities has been capitalized to exploration and evaluation costs.

Property, plant and equipment are derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss and comprehensive loss.

(g) Exploration properties and exploration and evaluation assets

The Corporation capitalizes all exploration costs which include the acquisition of land, property rights, licenses and all costs associated with exploration and evaluations. Exploration properties are recorded at the direct cost of acquisition. Costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. Exploration and evaluation assets represent the costs incurred in conducting exploration work for unknown or unproven ore deposits. Exploration and evaluation assets are reclassified to "property, plant and equipment, construction in progress" when the technical feasibility and commercial viability of extracting a mineral reserve are demonstrable. Exploration and evaluation assets are assessed for impairment, and the impairment loss, if any, is recognized before reclassification to construction in progress. Exploration and evaluation assets associated with projects that prove to be economically unviable are written off. Proceeds derived from the full or partial disposal of interests in properties are credited against the carrying cost of the related property. Costs incurred before the Corporation has obtained the legal rights to explore are recognized as an expense in the consolidated statements of loss and comprehensive loss.

The amounts shown for both exploration properties and exploration and evaluation assets represent costs incurred to date and do not necessarily reflect present or future values.

(h) Restoration, rehabilitation and environmental obligations

A provision is recognized in the statement of financial position when the Corporation has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Amounts recorded for the related assets are increased by the amount of these obligations. Over time, the liabilities will be accreted for the change in their present value and the initial capitalized costs will be depleted and amortized over the useful lives of the related assets. The increase in provisions for restoration, rehabilitation and environmental obligations due to the passage of time is charged to the consolidated statements of loss and comprehensive loss as a finance cost. The Corporation did not have any material restoration, rehabilitation and environmental obligations as of December 31, 2019 and 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Expressed in Canadian dollars unless otherwise stated.

(i) Taxation

Current tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of loss and comprehensive loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

(j) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Corporation after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs. Proceeds from unit financings are allocated between shares and warrants based on their relative fair values. The grant date fair value of the warrants issued are reflected in the reserve for warrants account until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recorded is transferred to deficit.

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(k) Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note, *Note 9*.

The fair value is measured at grant date and each tranche is recognized on a graded vesting basis over the period in which the options vest. At the end of each reporting period, the Corporation revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the reserve for share-based payments.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Charges for options that are forfeited before vesting are reversed from share-based payment reserve. For those options that expire or are cancelled after vesting, the recorded value is transferred to deficit.

(l) Impairment of non-financial assets

At each statement of financial position reporting date, the carrying amounts of the Corporation's non-financial assets are reviewed 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, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For the purposes of impairment testing, exploration properties and exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(m) Financial assets and liabilities

The Corporation's financial assets and liabilities include cash, other receivables, other financial assets, accounts payable and accrued liabilities.

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Expressed in Canadian dollars unless otherwise stated.

	Financial instrument classification Under IFRS 9
Financial assets	
Cash	Amortized cost
Other receivables	Amortized cost
Other financial assets	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost

Financial assets**Initial recognition and measurement**

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit and loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Corporation determines the classification of financial assets at the time of initial recognition based on the Corporation’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statements of loss and comprehensive loss.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss and comprehensive loss. The Corporation does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Corporation has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Corporation does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive loss in the consolidated statements of loss and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss and comprehensive loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Corporation no longer retains substantially all the risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Expressed in Canadian dollars unless otherwise stated.

Impairment of financial assets

The Corporation's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Corporation has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Corporation has opted to measure the financial liability at FVPL. The Corporation's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of loss and comprehensive loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss and comprehensive loss.

(n) Investment income

Investment income on cash is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The proceeds from options granted on exploration properties are credited to the cost of the related property, but where the proceeds exceed the property's carrying value, any excess proceeds are credited to profit or loss.

(o) Financing expense

Financing expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(p) Other comprehensive income or loss

Other comprehensive income or loss includes unrealized gains and losses on FVOCI investments, gains and losses on certain derivative instruments, none of which are included in the calculation of net income until realized. During the years ended December 31, 2019 and 2018, the Corporation did not have any FVOCI investments or derivative instruments.

(q) Income or loss per share

Basic income or loss per share is calculated by dividing the income or loss attributed to shareholders for the period by the weighted average number of shares outstanding in the period. Diluted income or loss per share is calculated by

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adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. This method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

(r) Segment reporting

A segment is a component of the Corporation that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Corporation operates in one business segment, mineral exploration, and two geographical segments, Canada and the Dominican Republic, during the years ended December 31, 2019 and 2018.

(s) New standards and amendments adopted

IFRS 16 – Leases (“IFRS 16”) replaces IAS 17, Leases (“IAS 17”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. The Company has applied IFRS 16 with an initial application date of January 1, 2019 in accordance with the transitional provisions specified in IFRS 16.

The Company has applied the following practical expedients:

- (i) The Company applied the modified retrospective approach, with the cumulative effect of initially applying the standard as an adjustment to deficit and no restatement of comparative information.
- (ii) On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17, and IFRIC 4, determining whether an arrangement contains a lease, were not reassessed for whether there is a lease. The Company applied the definition of a lease under IFRS 16 to contracts entered into or changed on or after January 1, 2019.
- (iii) Upon adoption, the Company has elected to apply the available exemptions for short-term leases and leases of low-value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of the initial application would be accounted for in the same way as short-term leases.

In consideration of the application of the practical expedients available, the Company determined that no lease liabilities and right-of-use assets were to be recognized at January 1, 2019 or December 31, 2019.

5. Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates 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 period. Actual outcomes could differ from these estimates and the differences could be material. The consolidated 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:

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- i. the recoverability of exploration properties and exploration and evaluation assets that are included in the consolidated statements of financial position.

Capitalization of exploration and evaluation costs

Management has determined that exploration and evaluation costs incurred during the year have future economic benefits. In making this judgement, management has assessed various sources of information which may include but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See *Note 7* for details of capitalized exploration and evaluation costs.

Impairment of exploration properties and exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration properties and exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Corporation considers includes changes in the market, economic and legal environment in which the Corporation operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include, but are not limited to, estimates of the discounted future after-tax cash flows expected to be derived from the Corporation's exploration properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's exploration properties and exploration and evaluation assets;

- ii. the inputs used in accounting for share-based payment expense. Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates;
- iii. the nil provision for restoration, rehabilitation and environmental obligations which is included in the consolidated statement of financial position. Decommissioning, restoration and similar liabilities are estimated based on the Corporation's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine or restoration of the property. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities;
- iv. the estimated useful life of property, plant and equipment;
- v. the Corporation is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Corporation's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Corporation's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Corporation's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial

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statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made; and

- vi. the existence and estimated amount of contingencies (*Note 16*).

6. Property, Plant and Equipment

Cost	Land	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
Balance December 31, 2017	\$ 13,771	\$ 113,749	\$ 51,757	\$ 1,396,042	\$ 328,645	\$ 1,903,964
Additions	–	–	–	–	–	–
Disposals/transfer	–	(113,749)	–	(594,044)	–	(707,793)
Balance December 31, 2018	\$ 13,771	\$ –	\$ 51,757	\$ 801,998	\$ 328,645	\$ 1,196,171
Balance December 31, 2019	\$ 13,771	\$ –	\$ 51,757	\$ 801,998	\$ 328,645	\$ 1,196,171

Amortization and impairment	Land	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
Balance December 31, 2017	\$ –	\$ 95,017	\$ 44,170	\$ 1,089,051	\$ 232,103	\$ 1,460,341
Amortization	–	–	2,276	47,204	19,310	68,790
Disposals/transfer	–	(95,017)	–	(523,073)	–	(618,090)
Balance December 31, 2018	\$ –	\$ –	\$ 46,446	\$ 613,182	\$ 251,413	\$ 911,041
Amortization	–	–	1,592	37,764	15,448	54,804
Balance December 31, 2019	\$ –	\$ –	\$ 48,038	\$ 650,946	\$ 266,861	\$ 965,845

Carrying amounts	Land	Computer equipment	Vehicles	Field equipment	Camp and buildings	Total
At December 31, 2018	\$ 13,771	\$ –	\$ 5,311	\$ 188,816	\$ 77,232	\$ 285,130
At December 31, 2019	\$ 13,771	\$ –	\$ 3,719	\$ 151,052	\$ 61,784	\$ 230,326

Vehicles, field equipment and camp and buildings relate to the Corporation's exploration activities. During the year ended December 31, 2019, \$54,804 (2018 – \$68,790) of amortization was charged to exploration and evaluation assets.

7. Exploration Properties and Exploration and Evaluation Assets

Exploration properties and exploration and evaluation assets consist of the following:

	Balance December 31, 2017	2018 Additions/ (Impairment)	Balance December 31, 2018	2019 Additions/ (Impairment)	Balance December 31, 2019
Exploration property interests					
Neita, Dominican Republic	\$ 283,747	\$ –	\$ 283,747	\$ –	\$ 283,747
Exploration and evaluation assets					
Neita, Dominican Republic	\$ 39,610,247	\$ 597,738	\$ 40,207,985	\$ 1,552,985	\$ 41,760,970

Neita Property

The Corporation owns 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on the Neita Property ("Neita") in the northwestern Dominican Republic, as well as a sole and exclusive option for the

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commercial mining of the mineral deposits. During the year ended December 31, 2019, \$54,804 (2018 – \$68,790) of amortization was capitalized to exploration and evaluation assets. See Note 16(f)(iii) regarding net smelter return commitment.

On May 22, 2018, Unigold announced that the Ministry of Energy and Mines of the Dominican Republic has granted the Corporation the Neita Fase II Exploration Concession. The Concession is valid for a three-year period after which there is a possibility of two additional one-year extensions. On November 2, 2018, Unigold announced that the environmental permit for exploration on Neita had been approved by the Ministry of the Environment of the Dominican Republic. The permit is valid for a two-year period. The property is subject to ongoing renewal and application processes. Should renewals and applications not be granted, the exploration property and exploration and evaluation assets may be impaired.

8. Equity Attributable to Equity Holders of the Corporation

(a) Common shares

Authorized, issued and outstanding shares

Common shares, no par value, authorized unlimited number of common shares, issued and outstanding were 78,021,309 shares as at December 31, 2019 (2018 – 45,671,309).

On September 19, 2019 Unigold closed a non-brokered private placement of 32,350,000 units of the Corporation (the "Units") at a price of \$0.10 per Unit for gross proceeds of \$3,235,000 (the "Offering"). Each Unit consisted of one common share of the Corporation (a "Common Share") and one-half common share purchase warrant (a "Warrant").

	Year ended December 31, 2019		Year ended December 31, 2018	
	Number of shares	Amount \$	Number of shares	Amount \$
Balance, beginning of year	45,671,309	57,309,839	45,671,309	57,309,839
Private placement	32,350,000	3,235,000	–	–
Share issue costs	–	(169,523)	–	–
Value assigned to warrants	–	(433,007)	–	–
Value assigned to finders warrants	–	(49,959)	–	–
Balance, end of year	78,021,309	59,892,350	45,671,309	57,309,839

(b) Reserve for share purchase warrants

As a result of the private placement financing in May 2016, the Corporation issued 16,000,000 warrants. Each warrant entitled the holder thereof to purchase one common share of the Corporation at an exercise price of \$0.45 at any time prior to May 25, 2018. On May 2, 2018, Unigold announced the expiry date of the warrants was extended until May 25, 2019. The warrants expired unexercised in 2019.

On September 19, 2019 Unigold closed a non-brokered private placement of 32,350,000 units of the Corporation (the "Units") at a price of \$0.10 per Unit for gross proceeds of \$3,235,000 (the "Offering"). Each Unit consisted of one common share of the Corporation and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.15 until the date that is the earlier of: (i) two years following the date of issue, or (ii) 30 days after the date on which the Corporation gives notice of acceleration, which notice may be provided no earlier than four months and twenty-one days from the date of issue if the closing price of the common shares on a stock exchange in Canada is higher than \$0.30 per common share for more than 20 consecutive trading days. Finder's fees and finder's warrants were paid in connection with the completion of the Offering in accordance with TSX Venture Exchange policies.

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In connection with the closing of the Offering, the Corporation issued an aggregate of 1,341,000 finder warrants. Each finder warrant entitles the holder thereof to purchase one common share of the Corporation until September 18, 2021 at an exercise price of \$0.10 per finder warrant.

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

	Warrants	Finder Warrants
Exercise price	\$0.15	\$0.10
Expected life	2 years	2 years
Expected volatility	89.30%	89.30%
Risk-free rate	1.60%	1.60%
Expected annual dividend	Nil	Nil
Grant date fair value	\$0.0287	\$0.0377

At December 31, 2019 and December 31, 2018 the Corporation had share purchase warrants issued as follows:

Exercise Price	2019		2018		Expiry Date
	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life - Years	
–	–	–	16,000,000	0.5	May 25, 2019
0.15	16,175,000	1.7	–	–	September 18, 2021
0.10	1,341,000	1.7	–	–	September 18, 2021
0.14	17,516,000	1.7	16,000,000	0.5	

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

	Year ended December 31, 2019			Year ended December 31, 2018		
	Number	Weighted average exercise price \$	Weighted average grant date fair value	Number	Weighted average exercise price \$	Weighted average grant date fair value
Balance, beginning of year	16,000,000	0.45	\$ 1,990,736	17,120,000	0.44	\$ 2,150,859
Expired – transferred to deficit	(16,000,000)	0.45	(1,990,736)	(1,120,000)	(0.30)	(160,123)
Warrants	16,175,000	0.15	433,007	–	–	–
Finder warrants	1,341,000	0.10	49,959	–	–	–
Balance, end of year	17,516,000	0.14	\$ 482,966	16,000,000	0.45	\$ 1,990,736

(c) Reserve for share-based payments

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

	Year ended December 31, 2019	Year ended December 31, 2018
Balance, beginning of year	\$ 708,338	\$ 1,053,061
Expired – transferred to deficit	–	(344,723)
Issued	427,091	–
Balance, end of year	\$ 1,135,429	\$ 708,338

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9. Share - Based Compensation – Employee Stock Option Plan

The Corporation 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 Corporation 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 years indicated is presented below:

	Year ended December 31, 2019		Year ended December 31, 2018	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of year	3,000,000	\$ 0.24	3,490,000	\$ 0.37
Expired	–	–	(490,000)	1.17
Issued	2,550,000	0.20	–	–
Issued	250,000	0.23	–	–
Outstanding, end of year	5,800,000	\$ 0.22	3,000,000	\$ 0.24

During the year ended December 31, 2019, the Company granted 2,800,000 stock options to officers, directors and consultants. The options vested immediately. The grant date fair value of the options was estimated based on the Black-Scholes option-pricing model, using the assumptions below:

Grant date	September 25, 2019	December 6, 2019
Number of options	2,550,000	250,000
Exercise price	\$0.20	\$0.23
Expected life	5.0 years	5.0 years
Expected volatility	103.0%	89.3%
Risk-free rate	1.42%	1.42%
Expected annual dividends	\$nil	\$nil
Expected forfeitures	nil	nil
Grant date fair value	\$0.152	\$0.159

As at December 31, 2019, the Corporation had stock options issued to directors, officers, employees and consultants of the Corporation as follows:

Exercise Price	2019			2018			Expiry Date
	Number of Options Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Options Exercisable	Number of Options Outstanding	Weighted Average Remaining Contractual Life - Years	Number of Options Exercisable	
\$ 0.10	1,350,000	0.8	1,350,000	1,350,000	1.8	1,350,000	Sep. 30,2020
\$ 0.35	1,650,000	1.5	1,650,000	1,650,000	2.5	1,650,000	June 22,2021
\$ 0.20	2,550,000	4.7	2,550,000	–	–	–	Sep. 25,2024
\$ 0.23	250,000	4.9	250,000	–	–	–	Dec. 6,2024
\$ 0.22	5,800,000	2.9	5,800,000	3,000,000	2.2	3,000,000	

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No options were granted in 2018. As at December 31, 2019, there are 2,002,131 options available for grant (2018 – 1,567,131). During the years ended December 31, 2019 and 2018, share-based compensation expense of \$311,301 (2018 – \$nil) was recorded. The weighted average exercise price of stock options exercisable at December 31, 2019 was \$0.22 (2018 – \$0.24).

10. Net Loss per Share

For the years ended December 31, 2019 and 2018, 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.

Years ended December 31,	2019	2018
Loss attributable to shareholders	\$ (1,052,465)	\$ (610,415)
Weighted average number of shares-basic	54,800,213	45,671,309
Basic loss per common share	\$ (0.02)	\$ (0.01)
Incremental shares on assumed exercise of options and warrants	–	–
Weighted average number of shares-diluted	54,800,213	45,671,309
Diluted loss per common share	\$ (0.02)	\$ (0.01)

11. Compensation

The compensation expense of the Corporation for the years ended December 31, 2019 and 2018 was as follows:

	2019	2018
Salaries and non-wage costs	\$ 304,386	\$ 157,355
Directors' fees	145,000	140,000
Share-based compensation	311,301	–
	\$ 760,687	\$ 297,355

In 2018, directors' fees of \$35,000 were accrued but not paid. These fees were paid in 2019.

12. Related Party Transactions

The Corporation's related parties as defined by IAS 24, *Related Party Disclosures*, include the Corporation's subsidiaries (*Note 1*), the Board of Directors, close family members and enterprises which are controlled by these individuals and key management as well as certain persons performing similar functions. The key managers working for Unigold are independent contractors. The remuneration of directors and key management of the Corporation for the years ended December 31, 2019 and 2018 was as follows:

Year ended December 31,	2019	2018
Salary, consulting and directors' fees	\$ 686,574	\$ 325,562
Share-based compensation	387,228	–
Aggregate compensation	\$ 1,073,802	\$ 325,562

Included in the accounts for the years ended December 31, 2019 and 2018 are payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Corporation as follows:

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Year ended December 31,	2019	2018
Management services fees paid to corporations controlled by or under significant influence of an officer or director of the Corporation (W. Hanson)	\$ 254,024	\$ 39,337
Directors' fees	145,000	140,000
Professional fees paid to officers or directors (J. Del Campo, J. Green, W. Hanson, J. Hamilton)	287,550	146,225
	\$ 686,574	\$ 325,562

The payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Corporation are included in aggregate compensation. Included in accounts payable and accrued liabilities for 2018 were directors' fees of \$35,000.

13. Financial Risk Management

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures during 2019 and 2018.

(a) 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 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 December 31, 2019. Management believes that the credit risk concentration with respect to financial instruments included in other receivables is minimal.

(b) Liquidity risk

The Corporation has in place a planning and budgeting process to help determine the funds required to support the Corporation's normal operating requirements on an ongoing basis and its capital, administrative, and exploration and evaluation expenditures. The Corporation 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.

As at December 31, 2019, the Corporation has working capital of \$1,369,434 (2018 – \$427,512). As of December 31, 2019, the Corporation has cash balances of \$1,372,210 (2018 – \$549,412) to settle current accounts payable and accrued liabilities of \$94,663 (2018 – \$156,955). The Corporation's other current assets consist of other receivables of \$23,638 (2018 – \$12,668) and other financial assets and prepaids of \$68,249 (2018 – \$22,387).

(c) 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.

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(d) 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 December 31, 2019, the Corporation had cash balances denominated in United States dollars ("U.S. \$") of \$42,821 (2018 – \$21,104). U.S. \$ payables as at December 31, 2019 were \$19,034 (2018 – \$nil).

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 year ended December 31, 2019. The Corporation 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 Corporation's current policy is to earn interest on 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 December 31, 2019, interest rate risk is minimal since the Corporation has no interest-bearing debt instruments.

A sensitivity analysis has determined that an interest rate fluctuation of 1% would not have resulted in significant fluctuation in the interest income during the year ended December 31, 2019.

(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, 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 Corporation's financial instruments as at December 31, 2019 and 2018:

	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	\$ 1,372,210	\$ 1,372,210	\$ 549,412	\$ 549,412
Other receivables	23,638	23,638	12,668	12,668
Accounts payable and accrued liabilities	94,663	94,663	156,955	156,955

14. Capital Risk Management

The Corporation considers its capital structure to consist of equity attributable to shareholders of the Corporation which at December 31, 2019 was \$43,641,646 (2018 – \$41,201,543). 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 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

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Corporation 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 Corporation and its subsidiaries are not subject to externally imposed capital requirements other than the capital requirements of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As at December 31, 2019, the Corporation is compliant with Policy 2.5 of the TSX Venture Exchange.

15. Supplemental Information Pertaining to Cash Flows

Year ended December 31,	2019	2018
Change in accrued exploration and evaluation assets	\$ (53,905)	87,894
Amortization included in exploration and evaluation assets (<i>Note 7</i>)	54,804	68,790
Share-based compensation charged to exploration and evaluation assets	115,700	–

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

The Corporation 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 Corporation.

(b) Environmental matters

The Corporation's exploration activities are subject to various 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.

The Corporation 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 Corporation periodically evaluates its obligations under environmental regulations.

(c) Guarantees

The Corporation has no guarantees outstanding.

(d) Contingencies

The Corporation is a party to certain employment contracts. These contracts contain clauses requiring that up to \$250,000 be paid on termination for other than cause. The Dominican Republic has laws requiring payments of approximately \$104,000 if those employees are terminated. As the triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

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(e) Operating contractual obligations

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

Year	Total	2020	2021	2022	2023	2024
Office lease	\$ 4,000	\$ 4,000	\$ –	\$ –	\$ –	\$ –
Services	118,000	118,000	–	–	–	–
Exploration program	20,000	20,000	–	–	–	–
	\$ 142,000	\$ 142,000	\$ –	\$ –	\$ –	\$ –

The Corporation has entered into leases for office premises. In the Dominican Republic, the lease has a life of one year (December 31, 2018 – one year). The cost is capitalized as Exploration and Evaluation cost. There are no restrictions placed upon the lessee by entering into these leases. In Canada, the Corporation sub-leases based on a month-to-month basis. Payments recognized as an expense were as follows:

Year ended December 31,	2019	2018
Lease payments	\$ 4,600	\$ 6,400

Non-cancellable operating lease commitment as at:

	December 31, 2019	December 31, 2018
Within one year	\$ 4,000	\$ 2,500
After one year but not more than five years	–	–
More than five years	–	–

(f) 2015 Private Placement Rights and Options

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 common 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 up to a pro rata basis on its non-diluted shareholding at the applicable time. Osisko exercised its right and participated in the Corporation's 2016 and 2019 financings.

(ii) Nomination Right: As long as Osisko holds Unigold shares equal to at least 10% of the issued and outstanding Unigold common 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 of Directors (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 common shares equal to at least 10% of the issued and outstanding Unigold common 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Expressed in Canadian dollars unless otherwise stated.

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

	As at and for the year ended December 31, 2019		
	Canada	Dominican Republic	Total
Assets	\$1,378,493	\$ 42,360,647	\$ 43,739,140
Liabilities	56,636	38,027	94,663
Investment income	4,269	18	4,287
Other expenses	1,034,798	21,954	1,056,752

	As at and for the year ended December 31, 2018		
	Canada	Dominican Republic	Total
Assets	\$ 511,346	\$ 40,849,983	\$ 41,361,329
Liabilities	136,022	20,933	156,955
Investment expense (income)	87	(22)	65
Other expenses	513,565	96,785	610,350

18. Tax Note**(a) Provision for Income Taxes**

Major items causing the Corporation's income tax rate to differ from the 2019 combined Canadian federal and provincial statutory rate of approximately 26.5% (2018 – 26.5%) were as follows:

Years ended December 31,	2019	2018
Loss before income taxes:	\$ (1,052,465)	\$ (610,415)
Expected income tax (recovery) based on statutory rate	(279,000)	(162,000)
Increase (decrease) resulting from:		
Expenses not deductible for tax purposes	8,000	5,000
Other	184,000	(26,000)
Stock-based compensation	82,000	–
Share issue costs	(58,000)	–
Change in benefit of tax assets not recognized	63,000	183,000
	\$ –	\$ –

(b) Deferred Income Tax Balances

Deferred tax assets have not been recognized in respect of the following deductible temporary differences. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can utilize the benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

Expressed in Canadian dollars unless otherwise stated.

Years ended December 31,	2019	2018
Non-capital loss carry-forwards	\$ 19,055,000	\$ 18,199,000
Capital loss carry-forwards	6,945,000	7,091,000
Share issue costs	266,000	190,000
Exploration and evaluation assets	2,686,000	2,728,000
Property, plant and equipment	975,000	1,630,000
	\$ 29,927,000	\$ 29,838,000

The Corporation has approximately \$888,000 (2018 – \$888,000) and \$1,795,000 (2018 – \$1,795,000) of Canadian development expenses and Canadian exploration expenditures, respectively, and \$42,047,000 (2018 – \$40,536,000) of foreign exploration expenditures as at December 31, 2019 which, under certain circumstances, may be utilized to reduce taxable income of future years. As at December 31, 2019, the Corporation had available for deduction against future taxable income, non-capital losses in Canada of approximately \$19,055,000 (2018 – \$18,199,000) which expire as follows:

Year of Expiry	Amount
2026	\$ 952,000
2027	1,306,000
2028	665,000
2029	1,399,000
2030	1,630,000
2031	1,731,000
2032	2,481,000
2033	2,386,000
2034	2,026,000
2035	1,065,000
2036	1,147,000
2037	721,000
2038	690,000
2039	856,000
	\$ 19,055,000

In the Dominican Republic, the Corporation's subsidiary is exempt from paying corporate taxes until 2024.

19. Subsequent events**Novel Coronavirus ("COVID-19")**

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.



UNIGOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2019 and 2018

UNIGOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

The following discussion and analysis of the consolidated operating results and financial condition of Unigold Inc. ("Unigold" or the "Corporation") for the fiscal years ended December 31, 2019 and 2018 should be read in conjunction with the consolidated financial statements of the Corporation and notes thereto at December 31, 2019. 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. The date of this report is May 5, 2020.

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, Tireo Formation. 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.

The Tireo 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. On May 22, 2018, Unigold announced that the Ministry of Energy and Mines of the Dominican Republic has granted the Corporation the Neita Fase II Exploration Concession ("Neita"). The Concession is valid for a three-year period after which there is a possibility to two additional one-year extensions. On November 2, 2018, Unigold announced that the Ministry of the Environment of the Dominican Republic had approved the environmental permit for Neita. The permit is valid for a two-year period. Unigold owns a 100 percent interest in the 21,031-hectare Neita concession, located in the west central highlands of the Dominican Republic along the border with Haiti.

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, 2019; 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 pit constrained inferred 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 inferred 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. See press release 2018-05 dated November 2, 2018 for details pertaining to the estimated resources. 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.

The consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation 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 Corporation's continuance as a going concern is dependent upon its ability to obtain adequate financing or to reach profitable levels of operation. To address its financing requirements, the Corporation will continue to seek financing through measures that may include joint venture agreements, debt and equity financings, asset sales, and rights offerings to existing shareholders and/or another financial transaction.

It is not possible to predict whether financing efforts will be successful or if Unigold will attain profitable levels of operation. The consolidated 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 Corporation 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.

Activities in 2019

Strategy and Objectives

Unigold's strategy is: *to discover world-class gold deposits amenable to economic exploitation.*

Key Performance Drivers

The Tiro Formation, the geological formation hosting the Neita Concession where Unigold is exploring, is considered to be highly prospective for gold and base metal mineralization. The Candelones Main deposit, in the southwestern portion of the Neita Concession, was the primary focal point of early exploration. Regional mapping and reconnaissance scale drilling tested numerous soil anomalies along the southern half of the Concession confirming that anomalous gold, silver, copper and zinc mineralization was present over broad area. In 2011, the Corporation completed a 10 km long Induced Polarity ("IP") survey along the southern portion of the Concession, identifying numerous, strong geophysical anomalies. Exploration drilling identified elevated gold, silver copper and zinc mineralization associated with a strong IP response at the Candelones Extension target approximately 1,000 metres east of the Candelones Main deposit. Wide spaced drilling (100 m x 100 m spacing) in 2012 and 2013 traced

the Candelones Extension deposit over a 1,500-metre distance. In 2014, drilling tested 1,000-metre gap between the Candelones Main and Extension deposits, identifying the Candelones Connector deposit and defining elevated gold, silver, copper and zinc mineralization over a 3.0 km strike length. The initial mineral resource estimate for the Candelones deposits was reported in 2013 and estimated an inferred mineral resource of 39.5 M tonnes averaging 1.6 g/t Au and containing 2.0 M ounces of gold. Copper and zinc were not estimated in the initial mineral resource pending results of ongoing metallurgical test work to determine potential recoveries of these metals. In 2014, a 5,662-metre drill program testing regional targets commenced in late June. Twenty-three holes were drilled on seven targets on the Neita property. No significant gold mineralization was intersected in this drilling. No drilling took place on Candelones.

On February 24, 2015, the Corporation announced an updated inferred mineral resource estimate focusing on the higher-grade gold mineralization at the Candelones Extension that could be amenable to underground mining. The update resource estimate totalled 5.3 M tonnes averaging 5.3 g/t Au containing 894,000 oz. Au with 0.35% Cu containing 41.0 M pounds of Cu.

In 2015, economic uncertainty continued creating volatility and risk aversion among investors. The market's appetite for risk expressed by the willingness to invest in both early-stage mineral exploration companies and major producers was mostly absent in 2015. Mining equity issuances continued at historically low levels and there was almost no merger and acquisition activity. Unigold was able to raise \$1.0M to fund its exploration program that ran from December 2015 to March 2017.

In 2016, a short "window" for resource equity offerings opened in the spring. Unigold originally proposed an offering of \$2.5M that was increased to \$4.8M due to strong market demand. Those funds were applied to the exploration program in the second half of 2016, which continued into 2017.

Exploration in 2016 through 2017 focused on testing the extent of higher grade areas within the resource footprint to evaluate the continuity of these high grade zones and evaluate their amenability for underground exploitation.

Active exploration was halted from mid-2017 to end-2018 while Unigold went through the process of renewing its exploration and environmental permits.

Upon receipt of the necessary permissions in November 2018, Unigold immediately resumed exploration on the Concession, initiating a surface test pitting program to evaluate the continuity of the near surface oxide resource. Work focused on evaluating the oxide mineralization, verifying historic drill results where core recovery was an issue and evaluating the potential to expand and upgrade the currently defined inferred oxide resource to a measured and indicated classification.

In 2019, following completion of a financing, drilling resumed on the Candelones property once again probing the sulphide resource at Candelones Extension.

Capability to Deliver Results

The price of gold and the market's appetite for risk are external variables that cannot be managed by the Corporation. Significant gold and copper mineralization was intersected and reported from a drilling program undertaken on the Candelones Extension starting December 2014. In 2016, the footprint of the Candelones Extension mineral resource was increased. In 2017, the footprint of the near-surface oxide resource at Candelones Connector was increased. In late 2018, test pit sampling of the oxide resource further increased the oxide resource footprint and suggested that some previous drill results under-reported the gold content due to core loss. In 2019, Unigold extended both the size and quality of both the oxide and high-grade zones. Unigold has shown that it can deliver positive exploration results at a reasonable cost.

Objectives for 2019 as Presented in the 2018 MD&A

- Secure additional funding for the Corporation through a private placement, rights issue, joint venture agreement, or other financing activity; and
- Utilize the funds raised to continue exploration of the Neita Concession with the objectives of increasing quality and quantity of the mineral resource at Candelones and evaluating additional targets along the 10 km long gold trend. The Corporation's long-term objective is to provide an updated NI-43-101 mineral resource estimate of sufficient size and quality to justify development of a commercial mining and processing facility within the Neita concession.

2019 Results

- Unigold raised \$3,235,000 in a non-brokered private placement in September 2019;
- In October 2019 Unigold resumed exploration at the Candelones deposits;
- From October 2019 through December 2019, the Corporation completed 35 drill holes totalling 5,434 metres;
- Three (3), 200 kg composite samples were collected from Targets A and B for metallurgical testing;
- One (1) 200 kg composite sample was collected from the Candelones Main and Connector oxide resource for metallurgical testing;
- Drill results continue to suggest continuity of the high grade sulphide resource which remains open at depth along a 300 metre strike length under Targets A and B; and
- Drill results continue to suggest that the grade and thickness of the high-grade mineralization is increasing with depth.

Objectives for 2020

- Secure additional funding for the Corporation through private placements, rights issues, joint venture agreements, or other financing activity; and
- Utilize the funds raised to continue exploration of the Neita Concession with the following objectives:
 - Continue to expand the high grade mineralization at depth;
 - Convert current inferred mineral resources to measured and indicated classification;
 - Establish the metallurgical recovery of oxide and sulphide mineralization;
 - Establish a preliminary process flow sheet and process plant design; and
 - Begin systematic exploration of other targets within the Concession footprint recognizing observations collected during recent exploration drilling at Candelones Extension deposit.

The Corporation's long-term objective is to provide an updated NI 43-101 mineral resource estimate of sufficient size and quality to support a preliminary economic assessment of the project and application to convert the Candelones deposit from an Exploration license to an Exploitation license.

Exploration

Geological Setting

Unigold's Neita concession covers a 21,031 Ha area within the highly prospective Tireo Formation, a 300 km x 75 km succession of intermediate volcanic and sedimentary rocks trending northwesterly through the island of Hispaniola. The island of Hispaniola was formed by island arc volcanism and tectonism, the result of subduction of the North America plate below the Caribbean plate during the Cretaceous Period. Island arc volcanism elsewhere in the world are highly prospective areas for:

- Cu and Cu-Au porphyry deposits;
- Low to high sulphidation Au and Au-Ag epithermal deposits; and
- Volcanogenic Hosted Massive Sulphide ("VHMS") Au-Ag-Cu-Zn deposits.

Recent exploration of the Tireo Formation has identified multi-million ounce gold discoveries at Neita (Unigold), Romero (GoldQuest) and significant mineralization at La Miel (Eurasian Minerals / Newmont) in Haiti.

The current model guiding exploration assumes at least three mineralization events. The initial phase of mineralization is interpreted to be a gold, copper, zinc and silver VHMS event. This mineralization is believed to be the result of intermediate volcanism in a shallow-water, back-arc environment. Mineralization is hosted in dacite volcanoclastics that have been extensively brecciated. The dacites are capped by andesite volcanoclastics that are largely barren. Anomalous gold, silver, copper and zinc mineralization occur at the andesite-dacite contact and extend several tens of metres into the host dacites. This mineralization, spatially related to the andesite-dacite contact, was the focal point of exploration from 2010 through 2012. Subsequent volcanism is believed to have produced a second gold-copper mineralization event that migrated into the host dacites along high angle fault zones. Finally, late stage intermediate – mafic volcanism remobilized mineralization along the contacts of dikes and sills that appear to be intruded along the same fault systems as the epithermal gold-copper event.

History

Unigold has been actively exploring the Neita Concession since 2002 and has identified twenty (20) distinct gold, gold-copper and copper anomalies throughout the Concession. These anomalies are largely defined by soil geochemical sampling, which completely blankets the Concession with sample lines every 200 metres and sample stations at 50-metre intervals. Over 32,000 soil samples have been collected and analyzed using a 35 element Inductively Coupled Plasma (ICP) methodology. All twenty soil geochemical anomalies are multi-element responses. Soil geochemistry highlights a 1.5 km wide x 10 km long ENE trending series of nine gold in soil anomalies known as the South Gold Trend (“SGT”). The SGT is anchored by the Candelones deposits in the southwest and the Guano gold-in-soil anomaly to the northeast.

In 2007, an airborne DIGHEM electromagnetic/resistivity/magnetic survey was completed. In 2011, an Induced Polarization chargeability/resistivity survey was completed which covered the southern portion of the Concession where nine (9) distinct gold in soil anomalies were identified in the soil geochemistry.

The entire concession has been mapped at 1:100000 scale and over 11,000 rock geochemistry samples have been collected, verifying the anomalies identified by soil geochemistry.

Over 31,000 metres of trenching has been completed, largely at the Candelones deposit area.

As at December 31, 2019, 529 diamond drill holes totalling 123,169 metres have been completed, the vast majority (483 holes – 114,401 metres) centered in and around the Candelones deposits.

Project to date work includes:

Compilation data	Q4 2019	2019	PROJECT TO DATE
Oxide test pits	-	-	31
Drilling – holes	35	35	529
Drilling – metres	5,434	5,434	123,169
Trenching – metres	-	-	31,559
Geochemical analysis	3,474	3,474	146,171
Grab samples	-	-	11,000
Soil samples	-	-	32,704
Stream samples	-	-	884
Induced polarization lines – km	-	-	196
Magnetic survey lines – km	-	-	687

In Q4 2013, the Corporation reported a pit constrained inferred mineral resource of 39.5 million tonnes at an average grade of 1.6 g/t Au (2.0 M oz. Au) for the Candelones Main, Connector and Extension deposits.

In Q1 2015, the Corporation estimated an inferred mineral resource for the Candelones Extension deposit totalling 5.3 million tonnes averaging 5.3 g/t Au and 0.35% Cu. This estimate assumed exploitation of the resource by means of underground mining methods.

In November 2015, the Corporation approved a diamond drill program to evaluate isolated, high gold grade drill results within the Candelones Extension resource footprint. Three (3) target areas were identified:

- Target A the easternmost target, centered on hole LP17 (7.0 metres averaging 5.85 g/t)
- Target B, 200 metres west of Target A, centered on hole LP28 (15.0 metres averaging 16.36 g/t Au) and
- Target C 600 metres west of Target B, centered on hole LP52 (15.8 metres @ 11.36 g/t Au)

The initial phase of exploration commenced in December 2013 and terminated in March 2017. A total of 15 holes (4,996 metres) were completed. This drilling identified pyrite rich massive sulphide mineralization with elevated gold and copper at Target A that the historical drilling had not intersected. The massive sulphide averages 4.0-6.0 g/t Au with 0.5% - 1.0%Cu, significantly higher than the mineralization associated with the andesite-dacite contact. The massive sulphide also appeared to be relatively flat lying, discordant to the andesite-dacite contact with a plunge to the ENE of 30 degrees. At Target B, drill results suggested a zone of higher-grade mineralization persistent along a

sub-vertical trend, also discordant to the andesite-dacite contact. At Target C, a similar sub-vertical enrichment was observed in addition to a second zone of higher-grade mineralization identified at depth on the andesite-dacite contact that was traced for 100 metres. In light of the encouraging results, a follow up drill campaign was completed from July through December 2016.

In total 35 holes (12,634 metres) of drilling was completed at the three target areas in 2016. The drill programs generated a 75% hit rate with 26 holes intersecting elevated grade over widths in excess of 5.0 metres.

Target A – 8 holes average 4.45 g/t Au, 5.7 g/t Ag, 0.54% Cu, 0.44% Zn across an average drilled interval length of 26.0 metres. The drilling established an approximate strike length of 350 metres along an ENE plunge. The massive sulphide lens is estimated to measure 30-50 metres in height x 15-25 metres in width.

Target B – 8 holes average 4.82 g/t Au, 7.96 g/t Ag, 0.64% Cu, 1.12% Zn over an average drilled interval length of 9.7 metres. The holes suggest a sub-vertical orientation across an approximate 100 metres of strike length. The drill results established at least 100 metres of vertical continuity and the sub-vertical trend remains open at depth.

Target C – 9 holes average 4.12 g/t Au, 18.3 g/t Ag, 0.13% Cu, 1.04% Zn over an average drilled interval length of 7.7 metres. The drill program identified a zone at depth along the andesite-dacite contact and established a minimum strike length of 150 metres in a parallel footwall zone. Historical drilling was collared over top of this zone that remains open to the west and east. This drilling also confirmed a sub-vertical orientation to the original high-grade mineralization. Drilling established an approximate 50 metres of strike length to a vertical depth of 125 metres below LP52.

All of the intervals intersected in 2016 occur within broad intervals of lower grade gold mineralization measuring several tens of metres in thickness and, in many cases, upwards of 100 metres in thickness. This low-grade halo continues to be spatially related to the andesite-dacite contact that dips 45-65 degrees to the southeast.

No exploration was conducted from January 2017 through November 2018 as the Corporation focused on renewing the Exploration and Environmental Permits for the Concession.

Exploration resumed in December 2018 with a small test pit program to evaluate the near surface oxide resource at the Candelones Main and Connector deposits. Thirty-one (31) test pits were completed. The test pits confirmed the drill estimated grades of the oxide resource, demonstrated potential to increase the oxide resource footprint and suggests that the oxide resource may not require drilling and blasting in a surface mining environment.

Metallurgy

In 2007, preliminary metallurgical test work, completed by SGS Lakefield on a composite sample of oxide material, indicated a gold recovery of 96% using direct cyanidation.

In 2012, Unigold announced metallurgical test results from the Candelones Extension (PR 2012-17). The initial metallurgical test results prepared by G&T Metallurgical Services Ltd. (part of ALS Metallurgy), Kamloops, Canada demonstrated that gold and other metals could be recovered to industry standards using proven technologies. Key findings of this bench-scale test work include:

- Gold, silver and base metal recoveries of 85-90% reporting to a 'clean' sulphide concentrate;
- A sulphide concentrate at 12% of the mass; and
- Multiple final processing solutions or concentrate sale options are viable.

In 2014, SGS Mineral Services SA, Santiago, Chile completed metallurgical tests on a bulk sample of sulphide mineralization collected from the Candelones Extension drill core. The composite samples were selected to mimic the average grades of the mineral resource, approximately 1.60 g/t Au. The testing indicated:

- Gold recoveries of 89% with copper recoveries of 88% to a sulphide concentrate with a 16% mass pull;
- The concentrate contains no levels of elements that would incur downstream processing penalties;
- 30% of the gold was amenable to gravity recovery;
- Results were consistent with initial metallurgical test work reported in 2012; and
- Multiple final processing solutions to produce either gold doré at site or to pursue in-country concentrate processing remain open to the Corporation.

To date, there has been no metallurgical test work completed on the Au-Cu rich massive sulphide mineralization intersected by drilling in 2016. Unigold believes that massive sulphide mineralization may offer improved metallurgical recoveries and higher concentrate grade due the increased gold and copper content relative to the material tested previously.

Q4 Exploration

In September 2019, the Corporation announced a 20,000-metre exploration program. The primary objectives of the exploration program were:

- Upgrade 50% of the inferred mineral resources to an indicated resource classification;
- Complete metallurgical tests and develop preliminary process flow sheet and design criteria for the oxide, transition and sulphide mineralization;
- Update the mineral resource estimates for the Candelones Project;
- Support permit applications for both surface and underground mine development with the Dominican government;
- Complete additional geophysical surveys if warranted;
- Evaluate new geological targets proximal to the known Candelones deposits; and
- Evaluate new geological targets along the east-northeast gold trend.

As at December 31, 2019, the Corporation had completed 35 diamond drill holes totaling 5,434 metres.

Twenty-five (25) holes (711 metres) were completed at Candelones Main and Connector to collect oxide mineralization for metallurgical testing and provide infill data points for future resource reclassification. The drilling established 800 metres of oxide strike extent based on a series of short drill holes spaced 50 metres apart. The oxide averaged 0.82 g/t Au based on 550 samples. Twenty-two (22) holes intersected oxide mineralization as planned.

Three (3) holes (1,155 metres) were completed at Target A to provide material for metallurgical testing and provide infill data points for future resource reclassification. One hole (444 metres) was completed at Target B to provide material for metallurgical testing and provide infill data points for future resource reclassification. All metallurgical sample holes intersected the mineralization as planned.

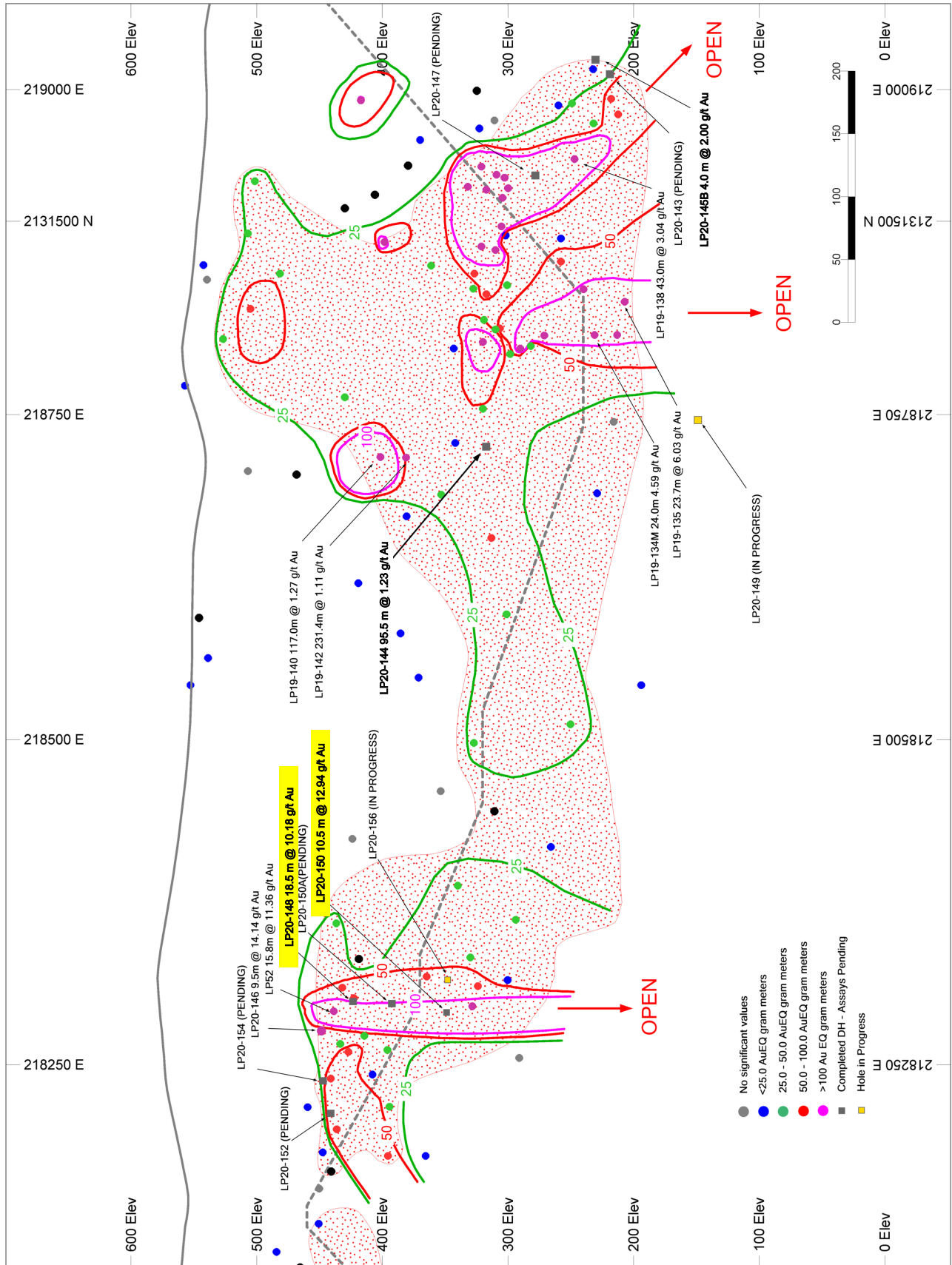
Three (3) infill drill holes (1,324 metres) were completed at Target A providing additional data points for future resource reclassification. All infill drill holes intersected the target mineralization.

Four (4) infill drill holes (2,195 metres) were completed at Target B, providing additional data points for future resource reclassification. All infill drill holes intersected the target mineralization.

The 2019 drilling offers a 90% success rate. Infill drilling has confirmed the continuity of Targets A and B. No drilling had occurred at Target C as of the end of 2019. Initial drilling at Target C in early 2020 has shown continuity of high grade mineralization to depth. The Corporation believes that the A and B targets coalesce at depth and that the combined 300-400 metre strike length offers a compelling exploration target for the next phase of drilling.

Drilling to date is shown in Figure 1 below. The pit limits used for the 2013 pit constrained resource is also shown. Gram-meter contours are shown for higher grade mineralization.

Figure 1.0 – Longitudinal Section – Candelones Extension Deposit Grade Thickness Contours



Four (4), 200 kg, metallurgical bulk samples have been collected from oxide and sulphide mineralization. The bulk samples have been received at Bureau Veritas Minerals where metallurgical testing shall be performed under the supervision of Mr. Richard Gowans B.Sc. P.Eng., President and Principal Metallurgist, MICON International Ltd. This work commenced in early 2020 and is underway.

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

As at	December 31, 2018	Year to date expenditures	December 31, 2019
Consulting (contract geologists and other technical specialists)	\$ 6,752,008	\$ 239,159	\$ 6,991,167
Drilling (including supplies and logistics expenses)	13,274,394	403,114	13,677,508
Field expense (including geochemistry and geophysics)	2,325,580	(15,808)	2,309,772
Laboratory analysis	4,686,535	72,496	4,759,031
Travel	1,625,474	5,688	1,631,162
Wages & salaries	4,821,432	372,710	5,194,142
Other (includes legal costs, capitalized depreciation)	6,722,562	475,626	7,198,188
	\$ 40,207,985	\$ 1,552,985	\$ 41,760,970

Exploration Outlook

In 2020, Unigold's ability to undertake exploration will depend on raising funds and/or entering into another transaction (such as a joint venture, property sale or rights offering). If funding were available to the Corporation, the planned exploration program in 2020 could include: additional ground-based geophysical surveys targeting the down plunge extension of the Au-Cu rich massive sulphides and sub-vertical feeder systems at the Candelones Extension deposit; exploration drilling targeting the down plunge continuation of the Au-Cu rich massive sulphides; exploration drilling of targets along the northeast gold trend; and metallurgical testing to evaluate the metallurgical recovery of the oxide and sulphide mineralization.

Selected Annual Information

The following table provides selected financial information and should be read in conjunction with the Corporation's Audited Consolidated Financial Statements.

Years ended December 31,	2019	2018	2017
Net loss for the year	\$ (1,052,465)	\$ (610,415)	\$ (607,556)
Net loss per share	(0.02)	(0.01)	(0.01)
Total assets	43,739,140	41,361,329	41,831,527
Long-term financial liabilities	nil	nil	nil
Dividends	nil	nil	nil

Results of Operations

For the year ended December 31, 2019, the Corporation recorded a loss of \$1,052,465 or \$ 0.02 per share, compared with a loss of \$610,415 or \$ 0.01 per share in 2018.

Compensation, including salaries and directors' fees, totalled \$760,687 (2018 – \$297,355). The Corporation expensed stock options valued at \$311,301 in 2019 (2018 – nil). Professional and consulting fees increased to \$100,046 (2018 – \$68,463) due to the higher level of activity resulting from the resumption of exploration activities. Listing and shareholder information expenses increased to \$54,693 (2018 – \$37,965) due to costs associated with the non-brokered private placement financing.

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

Years ended December 31,	2019	2018
Rent	\$ 4,605	\$ 6,370
Insurance	32,899	32,035
Computer supplies and support	46,284	39,541
Telecommunications	5,134	4,696
Other	8,193	5,718
Total	\$ 97,115	\$ 88,360

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.

Market appetite for investing in resource stocks has improved from the very low levels in recent years. Unigold was successful in raising gross proceeds of \$3,235,000 in a non-brokered private placement financing in September 2019. Unigold sold 32,350,000 units of the Corporation at a price of \$0.10 per unit. Each unit comprised one common share and a one-half share purchase warrant.

As at December 31, 2019, the Corporation had working capital of \$1,369,434 (2018 – \$427,512). As of December 31, 2019, the Corporation has cash balances of \$1,372,210 (2018 – \$549,412) to settle current accounts payable and accrued liabilities of \$94,663 (2018 – \$156,955).

Financial Outlook

Unigold has adequate cash available at December 31, 2019 to continue its operations and meet its near-term obligations. The Corporation will need to secure additional funding in 2020. Possible avenues to achieve this could include a private placement, rights issue, joint venture agreement or other financing activity.

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)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	–	–	–	–	–	–	–	–
Net loss	(310)	(487)	(143)	(112)	(117)	(135)	(121)	(237)
Net loss per share: Basic and diluted	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Acquisition of exploration and evaluation assets	1,166	227	91	69	249	133	114	101

The net loss in Q4 2019 is mainly due to higher compensation expense. Mr. Joseph Hamilton assumed the role of full time Chief Executive Officer at the start of October 2019. The net loss in Q3 2019 includes a non-cash expense of \$311,301 relating to share-based compensation recorded when stock options were granted. The net loss in Q1 2018 includes a non-cash write-off of fixed assets amounting to \$89,703. Acquisition of exploration and evaluation activities varies on the level and type of activity with drilling consuming the most funds. Starting in the last few weeks of Q3 and continuing throughout Q4, Unigold resumed an active drill program on its Neita property. In December 2018, Unigold undertook a limited program to dig test pits on the oxide resource.

Related Party Transactions

Included in the accounts for the years ended December 31, 2019 and 2018 are payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Corporation as follows:

The payments made to officers, directors and corporations under the control or significant influence of officers and directors of the Corporation are included in aggregate compensation.

Years ended December 31,	2019	2018
Management services fees paid to corporations controlled by or under significant influence of an officer or director of the Corporation (W. Hanson)	\$ 254,024	\$ 39,337
Directors' fees	145,000	140,000
Professional fees paid to officers or directors (J. Del Campo, J. Green, J. Hamilton, W. Hanson)	287,550	146,225
Share-based compensation	387,228	–
Aggregate compensation	\$ 1,073,802	\$ 325,562

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. Unigold 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 estimated as follows:

Year	Total	2020	2021	2022	2023	2024
Office lease	\$ 4,000	\$ 4,000	\$ –	\$ –	\$ –	\$ –
Services	118,000	118,000	–	–	–	–
Exploration program	20,000	20,000	–	–	–	–
	\$ 142,000	\$ 142,000	\$ –	\$ –	\$ –	\$ –

In connection with the 2015 private placement, an investment agreement was signed which gives 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.

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. The Dominican Republic is subject to an annual rainy season from approximately April to October that results in a small cost increase on field operations. Exploration and evaluation expenditures are higher in quarters when drilling is under way.

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 transactions being contemplated that could materially affect the performance of the Corporation. However, 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 mineral properties and deferred exploration costs 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 comparable in the estimate of future volatilities.

Environmental Matters

In the risks section that follows, reference is made to several risks affecting 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. There were no reportable environmental compliance events during 2019.

Corporate Social Responsibility ("CSR"), Safety, Health and Environment

The Corporation engages in and adheres to the principles of sound CSR 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 or reportable environmental 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 year ended December 31, 2019, and have not been applied in preparing these consolidated financial statements as follows:

- IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

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, 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.

Liquidity Risk

As at December 31, 2019, the Corporation has working capital of \$1,369,434 (2018 – \$427,512). As of December 31, 2019, the Corporation has cash balances of \$1,372,210 (2018 – \$549,412) to settle current accounts payable and accrued liabilities of \$94,663 (2018 – \$156,955).

Credit Risk

Credit risk is the risk of loss associated with counterparty’s inability to fulfill its payment obligations. The Corporation’s credit risk is primarily attributable to cash, sundry receivables and other investments. Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss to be minimal.

Financial instruments included in sundry receivables consist of harmonized sales tax due from the Government of Canada. Sundry receivables are in good standing as of December 31, 2019. Management believes that the credit risk concentration with respect to financial instruments included in sundry receivables is minimal.

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.

Interest Rate Risk

The Corporation has cash balances and interest-bearing debt. 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 December 31, 2019, interest rate risk is minimal since the Corporation has no interest-bearing debt instruments.

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 December 31, 2019, the Corporation had cash balances denominated in United States dollars (“U.S. \$”) of \$42,821 (2018 – \$21,104). U.S. \$ payables as at December 31, 2019 were \$19,034 (2018 – \$nil).

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. \$ and the Dominican 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 income for the year ended December 31, 2019. The Corporation does not undertake currency-hedging activities to mitigate its foreign currency risk.

Capital Management

The Corporation considers its capital structure to consist of common shares and contributed surplus. 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 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 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 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 consolidated 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.

The Corporation has evaluated its internal controls over financial reporting and believes that as of the report date, its systems of internal controls over financial reporting are sufficiently designed and maintained to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Certain weaknesses in its systems are apparent. These weaknesses arise primarily from the limited number of personnel employed in the accounting and financial reporting area, a situation that is common in smaller companies. As a consequence of this situation:

- a) It is not feasible to achieve the complete segregation of duties; and
- b) The Corporation does not have full competency "in House" in complex areas of financial accounting, such as taxation.

The Corporation believes these weaknesses are mitigated by:

- a) The nature and present levels of activities and transactions within the Corporation being readily transparent;
- b) The thorough review of the Corporation's financial statements by senior management and the audit committee of the board of directors;
- c) By the assistance and advice rendered by the Corporation's auditors; and,

d) By the active participation of senior management in monitoring financial reporting.

Nevertheless, these mitigating factors cannot eliminate the possibility that a material misstatement will occur as a result of the aforesaid weaknesses in the Corporation's internal controls over financial reporting. A cost effective system of internal controls over financial reporting, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

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 December 31, 2019.

Outstanding Share Data

Details about the Corporation's capitalization as at May 5, 2020 are as follows:

Common shares issued and outstanding	78,521,309
Potential issuance of common shares – warrants	17,001,000
Stock options issued to directors, employees, officers and consultants	5,950,000

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.

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.

COVID-19 Pandemic Operating Risk

The recent outbreak of the COVID-19 virus has affected the Dominican Republic. In late March 2020, the President of the Dominican Republic effectively closed the borders for an initial period of 15 days and suspended the arrival of incoming passengers. As of April 27, 2020, the Dominican Republic has 6,416 confirmed cases of COVID-19 and 286 confirmed deaths. In order to curtail the spread of the virus, the government has announced a national curfew that prohibits all traffic and movement of people from 5 pm to 6 am and masks are required in all public spaces. Public transportation, including buses, shared minibuses, metro trains, and cable cars have suspended services, limiting the public's ability to move freely in urban areas. Events and public gatherings of all kinds are suspended and roadblocks have been set up at various points throughout the country prohibiting internal travel. No cases of COVID19 have been reported in the immediate area around the Corporation's facilities in the Dominican Republic. The Corporation has no expatriate personnel in the Dominican Republic at this time. The uncertainty surrounding the lifting of these protocols, or the imposition of stricter protocols, has affected the ability of the Corporation to both plan and conduct its activities in the Dominican Republic. It is unknown at this time when activities can recommence, and what the ultimate effects on the local communities, concession licences, labour force, supply chains and security will be when the existing protocols are lifted and work on projects is started.

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.

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 licenses 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 licenses 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.

Government Regulation

The Corporation's mining operations and exploration and development activities are subject to laws and regulations governing health and worker safety, employment standards, exports, price controls, taxation, waste disposal, management and use of toxic substances and explosives, protection of the environment, mine development, protection of endangered and protected species, reclamation, historic and cultural preservation and other matters. Furthermore, the Corporation requires a number of different permits and licenses in order to carry on its business. Failure to comply with applicable laws, regulations and permits, even if inadvertent, may result in enforcement actions thereunder, including the forfeiture of claims, orders by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition. The Corporation may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms and conditions of existing permits and agreements applicable to the Corporation or its properties, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition. Where required, obtaining necessary permits can be a complex, time consuming process and the Corporation cannot assure that any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from proceeding with the development of an exploration project or the operation or further development of a mine, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition. There can be no guarantee that the Corporation will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and or to maintain continued operations that economically justify the cost.

Anti-Corruption Legislation

Unigold is subject to Canada's Corruption of Foreign Public Officials Act (the "Anti-Corruption Legislation"), which prohibits Unigold or any officer, director, employee or agent of Unigold or any shareholder of Unigold acting on its behalf from paying, offering to pay, or authorizing the payment of anything of value to any foreign government official, government staff member, political party, or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity. The Anti-Corruption Legislation also requires public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls. Unigold's international activities create the risk of unauthorized payments or offers of payments by Unigold's employees, consultants or agents, even though they may not always be subject to Unigold's control. Unigold discourages these practices by its employees and agents. However, Unigold's existing safeguards and any future improvements may prove to be less than effective, and Unigold's employees, consultants and agents may engage in conduct for which Unigold might be held responsible. Any failure by Unigold to adopt appropriate compliance procedures and ensure that Unigold's

employees and agents comply with the Anti-Corruption Legislation and applicable laws and regulations in foreign jurisdictions could result in substantial penalties or restrictions on Unigold's ability to conduct business in certain foreign jurisdictions, which may have a material adverse impact on Unigold and its share price.

Unigold is subject to Canada's Extractive Sector Transparency Measures Act which requires the Corporation to annually report certain types of payments made to any government, any body that performs a function of government or body established by two or more governments.

Liquidity and Capital Market Risk

The Corporation has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although Unigold has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Corporation with the possible dilution or loss of such interests.

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 mill-feed 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 that could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition.

Unigold's Exploration Concession was renewed May 2018 for a three-year period.

Conflicts of Interest of Directors

Certain of directors of Unigold are associated with other corporations involved in the mining industry. These associations may give rise to conflicts of interest from time to time. The Corporation's policy on conflicts of interest complies with the procedures established in the *Canada Business Companies Act*, which sets out the necessity of full disclosure of any conflict of interest prior to the Board dealing with the subject matter giving rise to the conflict of interest and the interested party refraining from voting on such matter. The directors are further required to act honestly and in good faith with a view to the best interests of the Corporation and its shareholders.

The Corporation is Dependent on Key Officers and Employees

The Corporation is dependent on the efforts of key officers, including its Chief Executive Officer, Chief Financial Officer and Secretary, and Chief Operating Officer. The loss of the services of any of the Corporation's key officers and employees could have an adverse effect on Unigold, which could have a material adverse effect on the Corporation's future cash flows, earnings, results of operations and financial conditions. The Corporation does not have and currently has no plans to obtain key man insurance with respect to any of its key employees. In addition, the Corporation may need to recruit and retain other qualified managerial and technical employees to build and maintain its operations. If the Corporation requires such persons and is unable to successfully recruit and retain them, its development and growth could be significantly curtailed.

Gold Price

The ability of Unigold to raise capital is dependent on the price of gold. Gold prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Corporation, including the U.S. dollar exchange rate with other currencies, central bank lending and sales, producer hedging activities, global demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The future trend in the price of gold cannot be predicted with any degree of certainty. The market price of gold affects the economics of any potential development project and the viability of current operations, as well as having an impact on the perceptions of investors with respect to gold equities, and therefore, the ability of the Corporation to raise capital. A decrease in the market price of gold and other metals could affect the Unigold's ability to finance the exploration and development of the Corporation's properties could curtail further exploration or development due to lack of capacity to finance. There can be no assurance that the market price of gold will remain at current levels, that such prices will increase or that market prices will not fall.

Currency Risk

By virtue of the location of its exploration activities, the Corporation incurs costs and expenses in a number of currencies other than the Canadian dollar. The exchange rates covering such currencies have varied substantially in the last three years. Financings typically raise funds in Canadian dollars. The majority of exploration expenditures are incurred in U.S. dollars or Dominican Republic pesos exposing the Corporation to potential significant foreign currency translation and transaction exposures, which could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations and financial condition. The Corporation currently does not hedge against other currencies and maintains the majority of its cash in Canadian dollars.

Internal Controls and Procedures

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. They are not a guarantee of perfection. A control system, no matter how well designed and operated, can provide only reasonable, not absolute assurance with respect to the reliability of financial reporting and financial statement preparation.

Unigold operates in the Dominican Republic and as such is obligated to comply with local laws and financial reporting requirements. Internal controls and procedures employed over financial reporting are adapted to the business environments within which the Corporation operates. Every effort is undertaken to ensure that reasonable and cost effective procedures and controls are in place to allow for the preparation of reliable financial information.

Environmental

Operations, development and exploration projects are subject to the environmental laws and regulations of the country in which the activities are undertaken. The environmental standards continue to change and the world trend is to a longer, more complex process. Although Unigold continuously reviews environmental matters and undertakes to comply with changes as expeditiously as possible, there is no assurance that existing or future environmental regulation will not materially adversely affect the Corporation's financial condition, liquidity and results of operation.

Resource Nationalism

Resource nationalism is the tendency of people and governments to assert control over natural resources located on their territory. The Corporation's exploration activities are conducted in foreign jurisdictions could be exposed to a risk that governmental expropriation or non-renewal of licenses to operate, demands for state or local investor participation, changes in taxes and royalties, or demands for local content/value add that could result in a partial/total loss of the Corporation's property interests without compensation.

Social License to Operate

The social licence is the level of acceptance or approval continually granted to a Corporation's operations or project by local community and other stakeholders. It is usually informal and intangible, and is granted by a community based on the opinions and views of stakeholders, including local populations, aboriginal groups, and other interested parties. Due to this intangibility, it can be difficult to determine when social license has been achieved for a project. Social license may manifest in a variety of ways, ranging from absence of opposition to vocal support or even advocacy, and these various levels of social license (as well as, of course, the absence of social license) may occur at the same time among different interested parties. It is distinct from regulatory license, which can typically only be conferred by governments. Local communities and influential groups may have the power to slow or stop development.

Corporate information

Directors

Jose Acero

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

Joseph Del Campo, CPA, CMA ⁽¹⁾⁽³⁾

*Businessman
Woodbridge, Ontario, Canada*

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*Chairman & CEO of Unigold Inc.
Campbellcroft, Ontario, Canada*

Jean-Marc Lacoste ⁽²⁾

*President and CEO of Monarch Gold Corporation
Saint-Sauveur, Quebec, Canada*

Ruben Padilla ⁽²⁾⁽⁵⁾⁽⁶⁾

*Chief Geologist, Talisker Explorations Services Inc.
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*Consulting Geologist
Burlington, Ontario, Canada*

Normand Tremblay ⁽¹⁾

*Businessman
Blaineville, Quebec, 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 Hamilton, M.Sc., P.Geo., CFA

Chairman & Chief Executive Officer

Wes Hanson, P.Geo. ⁽⁵⁾⁽⁶⁾

Chief Operating Officer

Donna McLean

Chief Financial Officer

Helga Fairhurst

Corporate Secretary

Stock Listing

TSX Venture Exchange, Tier 2 Corporation,

Trading Symbol: UGD

CUSIP: 90476X

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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.

The Corporation's filings with Canadian securities regulatory authorities can be accessed on SEDAR at www.sedar.com.