UNIGOLD

2004 Annual Report

UNIGOLD INC.

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Forward-Looking Statements:

Certain information included in this report is forward-looking and is subject to important risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events. Forward-looking statements are based on the beliefs, estimates and opinions of Unigold's management on the date the statements are made. Unigold undertakes no obligation to update these forward-looking statements of management's beliefs and estimates or opinions or other factors should they change.

All resource estimates reported in this report are calculated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining and Metallurgy Classification system.

A colour copy of this annual report can be downloaded from the Company's website at: www.unigoldinc.com

Corporate Profile

Unigold Inc. is an exploration company focusing on gold and copper assets in the Dominican Republic.

Currently exploring for epithermal gold deposits on its 226 square kilometers Neita property.

The strategy is to target bulk tonnage, open pittable, gold deposits.

The goal is to find a gold deposit equivalent in size to the world class Pueblo Viejo Gold Mine which has produced over 5 million ounces of gold since 1975 and contains an additional mineral resource of 15.2 million ounces of gold (Placer Dome 2005).

Highlights

Diamond drilling the 100% owned, with no royalties, Los Candelones Gold Deposit , delineated by only 41 drill holes to date.

Los Candelones Gold Deposit occurs within a 1200 meter by 600 meter coincident gold in soil anomaly and IP chargeability high representing sulphide concentrations.

Grades on Los Candelones close to surface of up to 2.2 g/t gold over 61 meters (including 3.1 g/t gold over 31 meters), 4.4 g/t gold over 25 meters and 3.6 g/t gold over 26 meters.

Delineating a 15 meter thick gold zone in an oxide cap.

Diamond drilling is showing that the sulphide gold zone is continuous along strike and down dip and remains open.

Discovered new zone at El Vallesito running up to 3.0 g/t gold and 20% copper in veins.

Discovered new zone at Jimenez running up to 11.9 g/t gold and 53% copper in veins.

President's Message

Dear Shareholders,

2004 was a very frustrating year for the Company and for you the shareholder. The stock market has not been kind to junior mineral explorartion companies over the past year and Unigold is no exception. However the prevailing feeling is that the gold price will continue to increase over time and that this will translate into a better market for junior gold exploration companies.

During the first quarter the Company completed 10 diamond drill holes on the Los Candelones Gold Deposit on the Neita property, however, because of insufficient funds, the drilling had to be stopped until a further financing was completed. In October the Company closed a $1.5 million private placement and the drilling was re-started in late December.

To date the Company has completed 19 diamond drill holes totaling about 2300 meters on the Los Candelones Gold Deposit. When combined with previous drilling, 41 holes for about 5,000 meters have been drilled in total. Gold grades starting from surface of up to 4.4 g/t gold over 25 meters and 2.2 g/t gold over 61 meters and including 3.1 g/t gold over 31 meters were encountered. The core stockwork gold zone is enclosed within up to 100 meters of pyroclastic rocks which grade 0.3 to 0.5 g/t gold. There is significant potential to increase the tonnage of this deposit at depth, along the strike and in parallel structures as outlined by the IP chargeability.

The Company is developing a significant 15 meter thick oxide resource on the Los Candelones hill grading between 0.5 and 1.5 g/t gold.

The Company's strategy is to target bulk tonnage, open pittable gold deposits with a goal to finding a deposit equivalent in size to the world class Pueblo Viejo Gold Mine in the Dominican Republic where it has produced over 5 million ounces of gold from oxide ore between 1975 and 1993 and contains an additional geological inventory of multi million ounces of gold in sulphide ore. Placer Dome Inc. has acquired the right to operate the Pueblo Viejo Gold Deposit and is undertaking a feasibility study expected to be completed during this year. Placer Dome has published their measured and indicated mineral resource at 150,263,000 tonnes grading 3.2 g/t and containing 15.25 million ounces of gold.

The next round of trenching and diamond drilling on the Los Candelones Gold Deposit is designed to delineate the oxide gold potential, outline higher grade zones, confirm the mineralization continuity on the sulphide zones as shown by the IP and also to confirm gold mineralization continuity within the sections of the other chargeability zones where they have not yet been tested by diamond drilling.

The Los Candelones Gold Deposit is in the early stages of evaluation by diamond drilling. The coincident gold in soil geochemistry, IP chargeability highs, scattered trenching and 41 diamond drill holes spread over an area of 1200 meters by 600 meters provides a large target which could host a multi-million ounce gold deposit.

The Los Candelones Gold Deposit is the most advanced project on the Neita property, but it is only one of several zones that has the potential to host a significant gold deposit. The El Corozo area, Montazo-Guano area and three separate areas on the 22 kilometer long structural contact between the mafic and felsic volcanic rocks have excellent showings that require additional work to evaluate the gold potential.

There is also significant copper potential on the Neita property. In the 1960's Mitsubishi drilled 27 holes in the Neita area and encountered up to 5% copper over narrow widths. The entire 22 km length of the structural contact has copper-gold potential. At Poso Negro, copper values ranged up to 53% in grab samples from narrow veins to 0.65% copper over 6.7 meters in trenching. At Vallesito we found grab samples ranging up to 3.2 g/t gold and 20% copper and further to the southeast at Rosso, earlier work had found float samples assaying up to 7.9% copper.

The Company owns 100% of the Neita property with no government royalties and with an 18 year import/export duty and corporate tax holiday. This provides a very favourable financial framework for possible future development and production of the Los Candelones Gold Deposit.

We are currently seeking financing or a joint venture agreement with a major company in order to continue the trenching and diamond drilling program on the Los Candelones Gold Deposit and the exploration on the remainder of the Neita property.

I wish to extend my sincere gratitude to our board, employees and shareholders for their continued support. I look forward to a better year of increasing value for our shareholders.

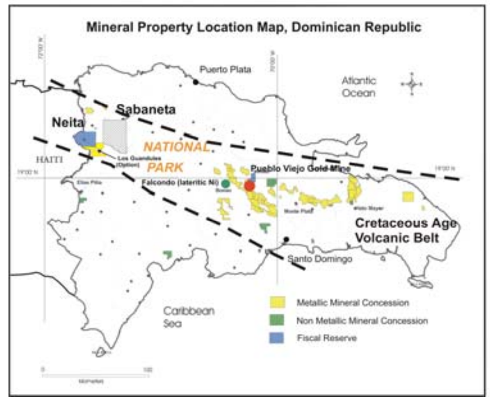
J P Thompson

John P. Thompson
President and Chief Executive Officer
April 20, 2005

Properties

Property Acquisitions

The large land package of Fiscal Reserves became available for acquisition when the Dominican Republic decided to allow the Pueblo Viejo Gold Mine to go to public auction. The Fiscal Reserve properties were held by the Dominican Republic government and were not available for acquisition until 2002.



In July 2002, Unigold acquired a 100% interest in the Neita (25,221 hectares) and the Sabaneta (55,720 hectares) Fiscal Reserves by way of special contract ratified with the government by congress and by senate.

The Dominican Republic granted Unigold 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on both the Neita and Sabaneta Properties, as well as a sole and exclusive option for the commercial mining of the mineral deposits. The initial duration of the Fiscal Reserve contract was for 6 months but with 2 one-year extensions after which the property must be converted to a Concession. A Concession is issued for 3 years plus 2 one-year extensions after which it must be converted to an Exploitation Licence which is issued for 75 years.

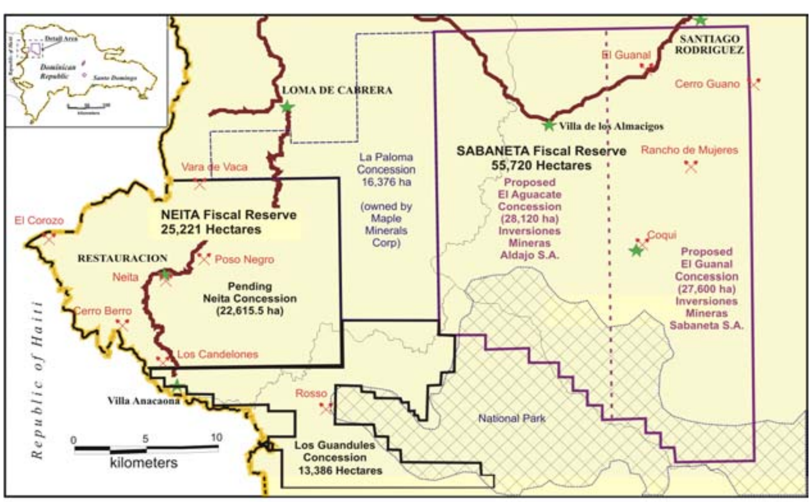
During 2004, the Company received a Presidential Decree authorizing Unigold Resources Inc., a wholly-owned subsidiary of the Company, to apply for exploration concessions over the Neita and Sabaneta fiscal reserves.

According to Article 32 of Mining Law 146 of 1971 of the Dominican Republic, the same entity may not be granted one or more exploration concessions exceeding 30,000 hectares in the aggregate. Due to this limitation, the Company through Unigold Resources Inc. has applied for an exploration concession on the Neita property which covers an area of 22,616 hectares and has sold its mineral rights in respect of the Sabaneta property to two separate Dominican companies, Inversiones Mineras Sabaneta, S.A. (27,600 hectares) and Inversiones Mineras Aldajo, S.A. (28,120 hectares) for a total consideration of US$200,000 in aggregate. These companies have applied for two exploration concessions covering Sabaneta.

Unigold is required to pay to the Dominican Republic a total of US$150,000 per Fiscal Reserve over a 3-year period for exclusive exploration rights for a 100% interest in the properties. Payments totaling US$100,000 per Fiscal Reserve have been made to date. There are no fixed yearly exploration expenditure requirements however, Unigold is required to spend US$2.0 million over a 3-year period. Unigold has met its expenditure requirements.

The government of the Dominican Republic has granted free zone status to the Company properties for a period of 20 years. As a result, Unigold is not required to pay the 12% sales tax, corporate taxes or import-export duties for 20 years.

During 2004, the Company signed an option agreement with a private Dominican Republic company to acquire a 100% interest in the Los Guandules Concession. This 13,386 hectare Concession is contiguous on the southern boundary of the Neita property. It covers the extension of the geologically favourable Cretaceous volcanic belt which extends northwest-southeast through the Dominican Republic and which includes the world class Pueblo Viejo gold deposit. This property contains the Rosso gold showing which is on an extension of a mineralized structure, located on our Neita property. Previous trenching in the 1980's on the Rosso showing has returned values up to 2.4 g/t gold over 29 meters. Float has also assayed up to 7.9% copper. Three shallow drill holes were completed in the 1980's and intersected gold mineralization.



LAND POSITION OF UNIGOLD INC. IN NORTHWESTERN DOMINICAN REPUBLIC

Neita Property

General Exploration

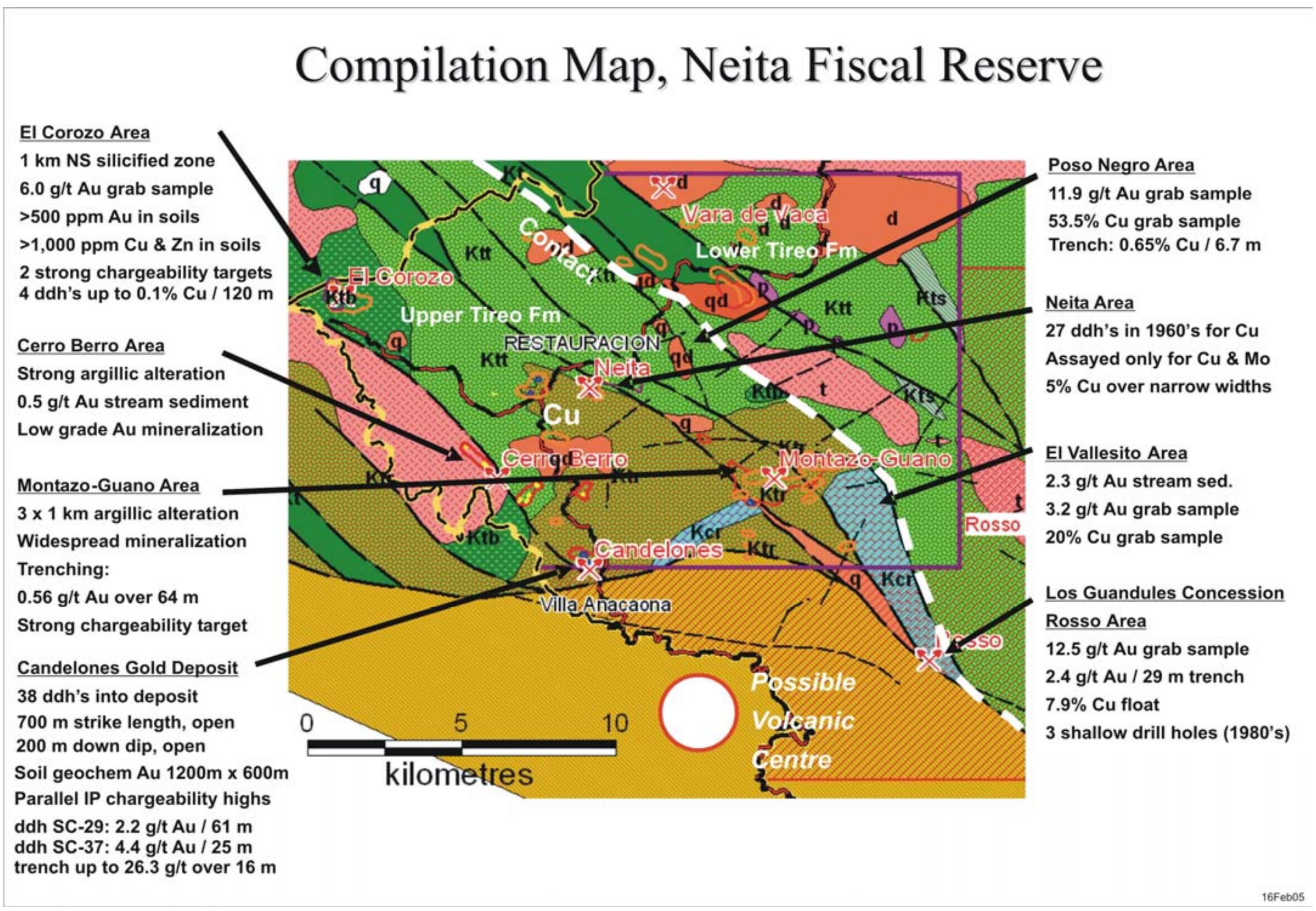
The Company is focusing on gold exploration in the Dominican Republic within the 75 km wide Cretaceous age volcanic belt which transects the country.

The Neita property (22,616 ha) is underlain by bery favourable Cretaceous age volcanic gelology in an environment known to host the world class Pueblo Viejo Gold Mine.

The Neita property contains about 20 large hydrothermal alteration zones as identified by an airborne magnetic and radiometric survey which are partly coincident with gold in stream sediment anomalies that represent prime targets for exploration.

A 22 kilometer long structural contact zone between the Upper (mafic) and Lower Tireo felsic volcanic rocks, which is also a gold in stream sediment anomaly, has been shown to carry gold (up to 11.9 g/t) and copper (up to 20% in veins) mineralization at three widely spaced locations.

IP geophysical surveys on the El Corozo and Montazo-Guano areas has outlined excellent chargeability targets over large alteration zones which are believed to represent sulphide mineral concentrations.



More than ten large, altered and mineralized areas have been identified in the Neita Property. At least four mineralized areas contain high copper potential but low precious metal values.

At least 6 other, large alteration zones, up to 3.0 km in size, containing gold in soil prospects (El Corozo, Cerro Berro, Vara de Vaca, Neita, Montazo-Guamo and Candelones) have been under study at different time periods with an exploration emphasis in precious metals.

El Corozo Area

In the El Corozo area, geological mapping and prospecting has outlined a 750 meter long by 75 meter wide, north-south trending topographic ridge formed by silicification and brecciation of the host mafic volcanic rocks situated adjacent to a felsic pyroclastic unit. The host north-south structure is considered to be a splay off a nearby regional north-west trending fault. The volcanics are highly altered and possess both copper and gold in soil anomalies. One strong copper and gold anomaly located to the west of the hill was a coincident IP chargeability high. Immediately to the west, a silicified float rock sample assayed 6 g/t gold. Other reconnaissance rock samples in the area returned results of 1.5 and 0.7 g/t gold. Immediately to the west of the hill, stream sediment samples have assayed up to 1.1 g/t gold. Immediately adjacent to the silicification, in the valley to the east, a 2 km oblong target is interpreted by airborne geophysics to be a large hydrothermal alteration zone. A similar 2.5 km long hydrothermal alteration zone is located immediately to the south of the silicification zone and is centered on the northwest regional structure. A quartz diorite intrusive occurs adjacent to the fault and a 0.9 g/t gold grab sample was obtained from the base of the hill. Four diamond drill holes targeted the El Corozo silicified hill and encountered low gold values up to 0.8 g/t in narrow quartz veins. All four holes encountered 0.05% to 0.1% copper mineralization from the top to the bottom of the holes. The best single interval was 0.2% copper over 27 meters in hole SC01. This area is underlain by a large hydrothermal alteration system and the main copper/gold soil and IP chargeability target has yet to be drilled.

Montazo-Guano Area

The largest silicification and hydrothermal alteration zone occurs in the Montazo-Guano area. This target trends east-west and has a length of about 3 km and a width of about 1km. Two separate northwest trending regional structures cut the target. Alteration may be controlled by two northeast-southwest secondary faults. Strong argillic alteration is enveloping the quartz veining. Low but consistent gold values averaging 0.3 g/t gold is widespread. Previous trenching on the eastern margin of the alteration zone returned values up to 0.56 g/t gold over 64 meters (MT02) and 0.42 g/t gold over 22 meters (GT01) while trenching on the western margin of the zone, located 2.5 km away, returned values up to 0.54 g/t gold over 100 meters. Eight scattered drill holes were completed in 1997 with grades up to 0.44 g/t gold over 16 meters (SM01). The main target has never been properly sampled or drilled. A recent stream sediment sample taken from southeast of the target ran 106 ppb gold and one reconnaissance rock sample on the western end of the target ran 928 ppb gold. An IP chargeability high is coincident with the main Guano Hill.

Loma De Montazo Area

In the Loma de Montazo area, located about 9 km southeast of El Corozo along the same northwest-southeast regional structure, the Company has identified a 4 km long, north-east trending, fault bounded hill composed predominantly of silicified and altered andesitic tuff and pyroclastic dacite. Rhyolite occurs in fault contact to the north. Airborne magnetics and radiometrics have outlined an alteration zone on the north side of the fault. Stream sediment sampling evaluating this target has returned very encouraging values of 0.6 and 0.5 g/t gold. Reconnaissance rock geochemistry along the silicified rocks on the ridge has returned gold values of 0.3, 0.2, 0.2 and 0.1 g/t.

Neita Area (Cu)

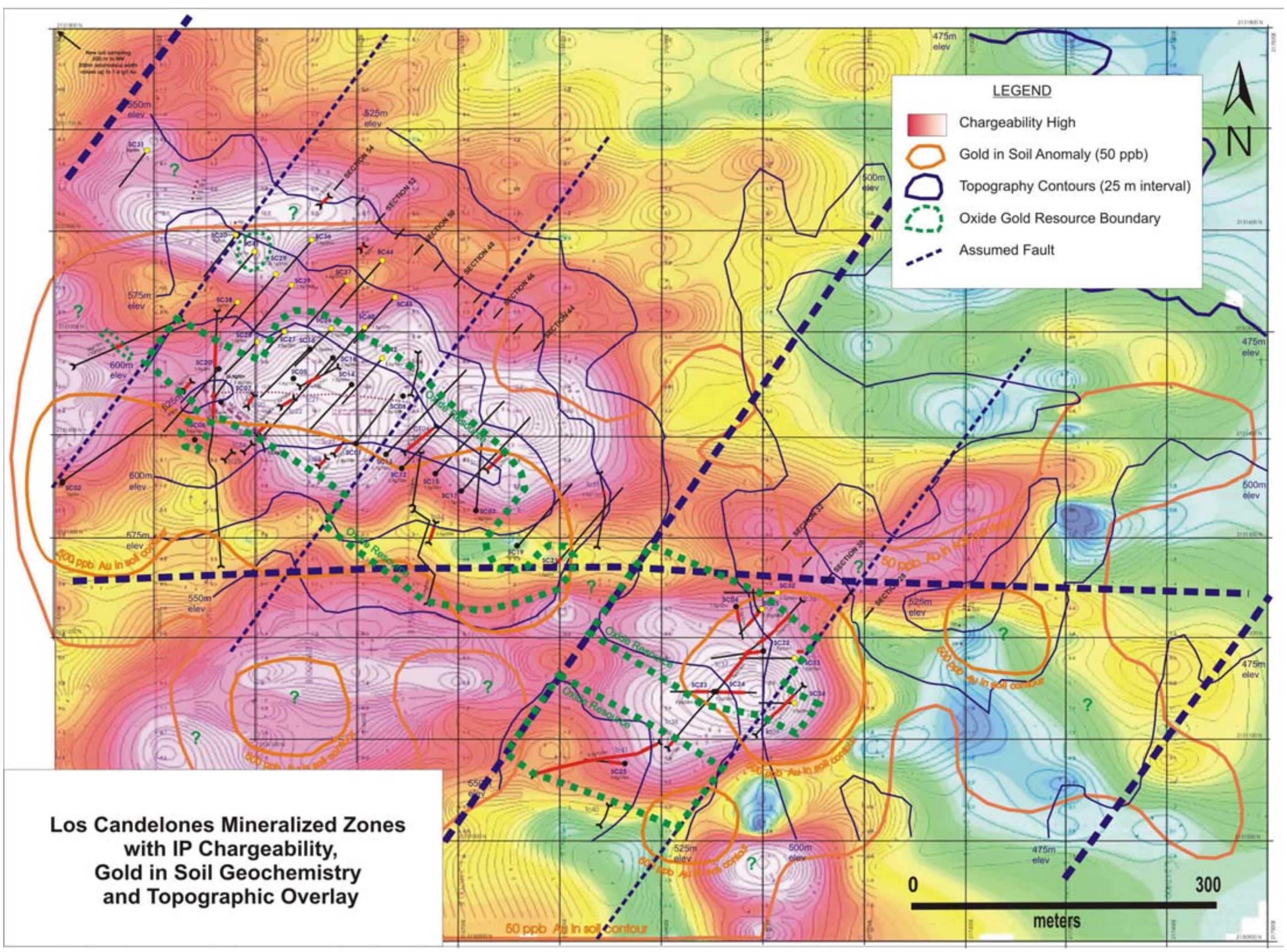
The Neita area located just to the south of the town of Restauracion was drilled in the 1960's for copper by Mitsubishi Mining. They drilled 27 holes and intersected discontinuous copper values up to 5% in veins within andesites and fragmented andesitic tuff.

Fault Contact Area

A 22 km long northwest trending structure between mafic and felsic volcanic rocks which may represent a major gold-copper system has been identified on the Neita property. Gold in stream sediments highlights the entire 22 kilometer length of the fault. Unigold has undertaken limited work on this structure but has identified significant gold and copper values in three separate locations. **At Jimenez**, a copper in soil anomaly in excess of 1,000 ppm was traced for over 1 kilometer and is open at both ends. Limited trenching uncovered a silicified quartz vein and sulphide system which assayed 0.65% copper over 6.7 meters. Nearby float rock samples assayed up to 11.9 g/t gold. About 8 kilometers to the southeast along the structure at **El Vallesito**, Unigold has identified an outcrop with assays of up to 3.2 g/t gold and 20% copper in veins. A further 6 kilometers to the southeast in the **Rosso area** government geologists in the early 1980's, had unearthed a gold mineralized zone with values up to 2.4 g/t gold over 29 meters in trenching and found float that assayed 7.9% copper in the vicinity. This 22 kilometer strike length of northwest trending structure is a high priority target for both gold and copper mineralization.

Los Candelones Gold Deposit

- 41 diamond drill holes have partially outlined mineralized zones with strike lengths of 400 to 900 meters with local structural offsets.
- Demonstrated continuity of epithermal mineralization both along strike and downdip.
- Grades close to surface of up to 2.2 g/t gold over 61 meters and including 3.1 g/t over 31 meters (ddh SC-29), 3.6 g/t gold over 26 meters (ddh SC-27) and 4.4 g/t gold over 25 meters (ddh SC-37).
- Mineralization occurs within a 1200 meter long by 600 meter wide gold in soil anomaly and coincident IP chargeability high, interpreted as sulphide-rich zones, only a small part of which have seen any amount of diamond drilling.
- There is a very high probability of hosting additional gold resources on this significant discovery.
- Gold mineralization is a moderate sulphidation, epithermal gold system, hosted in altered and silicified dacite pyroclastic rocks in a 20 to 30 meter thick stockwork containing pyrite, sphalerite and chalcopyrite.
- The 20 to 30 meter thick core stockwork zone grades 1.0 to 4.4 g/t gold and is enclosed within up to 100 meters of pyroclastic rocks which grade 0.3 to 0.5 g/t gold.
- An oxide cap in the order of 15 meters thick grading 0.5 to 1.5 g/t gold. Drill access road in East-West direction ran over 1 g/t gold over 200 meters.



Los Candelones Mineralized Zones with IP Chargeability, Gold in Soil Geochemistry and Topographic Overlay

Los Candelones Gold Deposit

Description and Status

The Los Candelones mineralized zone, occurs in the southern part of the Neita property located on the western end of the Cretaceous volcanic belt that transects the Dominican Republic. The mineralized zone was first drilled in the early 1980's by the government (8 ddh, 645m) and followed up in 1997 by BRGM (14 ddh, 2090 m) for the government as part of an aid package from the European Union. Diamond drilling returned values such as hole SC-16 which assayed 1.0 g/t gold from surface to 90 meters with a central zone of 1.54 g/t over 44 meters and a hole 30 meters away, SC-18 which ran 1.3 g/t gold from surface to 92 meters with a higher grade zone of 1.81 g/t over 44 meters. At the eastern end of the Los Candelones zone, located 300 meters to the southwest, four old drill holes assaying up to 1.6 g/t gold over 38 meters and old trenching assaying up to 1.55 g/t gold over 43 meters.

In the Los Candelones area, gold mineralization occurs on a hill, is structurally controlled and occurs within north-northwest trending quartz veins, and kaolinized and silicified Cretaceous age felsic pyroclastic rocks which overly and flank dacite and dacitic porphyry rocks, very similar to the geological setting at the world class Pueblo Viejo Gold Deposit.

The gold mineralization at Los Candelones is a moderate sulphidation, epithermal vein system and occurs within a stock work associated with chalcopyrite, sphalerite, pyrite, galena, plus minor silver. The gold mineralization occurs within a 1200 meter by 600 meter gold in soil anomaly and coincident IP chargeability high which corresponds to sulphide mineralization. Historical trenching results within the soil anomaly included 0.5 g/t gold over 122 meters (TC41), 1.55 g/t over 43 meters (TC36) and 3.0 g/t over 24 meters (TC43). Re-sampling a trench, located about 100 m to the NW of the last known gold mineralization ran 26 g/t gold over 16 meters (TC42).

The trenching program on the main Los Candelones hill consisted of digging new trenches and cleaning out and re-sampling old trenches in an effort to develop an oxide resource. Trench TC21 and TC22, oriented in a NE-SW direction, were cleaned out and re-sampled. TC21 assayed 1.5 g/t gold over 29.7 meters and TC22 assayed 1.2 g/t over 19.1 meters. A 7.1 meter drill access road separates the two trenches. This E-W trending drill access road assayed over 1.0 g/t over a 200 meter stretch in 36 chip samples each 5 meters in length. A few meters to the SW from TC22 and also oriented NE-SW old trench TC23 assayed 1.5 g/t gold over 19 meters. Three drill holes (SC05, SC14 and SC18) occur adjacent to TC21 and to the NE and have intersected oxide gold mineralization of 0.66 g/t over 40 meters, 0.62 g/t over 14 meters and 0.49 g/t over 20 meters respectively. The combined trenches, chip sampling and drill holes in this area suggest that oxide mineralization occurs over a distance in excess of 100 meters in an N-S direction and in excess of 300 meters in an E-W direction. This oxide mineralization remains wide open along strike.

Unigold has completed 19 diamond drill holes in 2004 and 2005 totaling about 2300 meters on the Los Candelones Gold Deposit.

Gold grades in the diamond drilling starting near surface of up to 4.4 g/t gold over 25 meters and 2.2 g/t gold over 61 meters and including 3.1 g/t over 31 meters were encountered. There is significant potential to increase the tonnage of this deposit at depth, along the strike and in parallel structures as outlined by the IP chargeability.

The diamond drilling has now demonstrated the on strike and down dip continuation of the 25 to 30 meter thick gold core of epithermal mineralization which grades from 1.0 to 4.4 g/t gold over 8 cross-sections located 25 meters apart. The core stockwork zone is enclosed within up to 100 meters of pyroclastic rocks which grade 0.3 to 0.5 g/t gold. It is expected that this mineralized zone will be relatively continuous for at least an additional 400 meters to the southeast with small local fault offsets and join with the Los Candelones East mineralization. At Los Candelones East, mineralization in trenches assayed better than 1.0 g/t gold over about 100 meters and our recent drill hole SC35 ran 1.5 g/t gold over 48 meters.

The existing trenched and diamond drilled mineralized area is a small part of the 1200 meter long by 600 meter wide gold in soil anomaly and coincident IP chargeability high which represents sulphide mineralization.

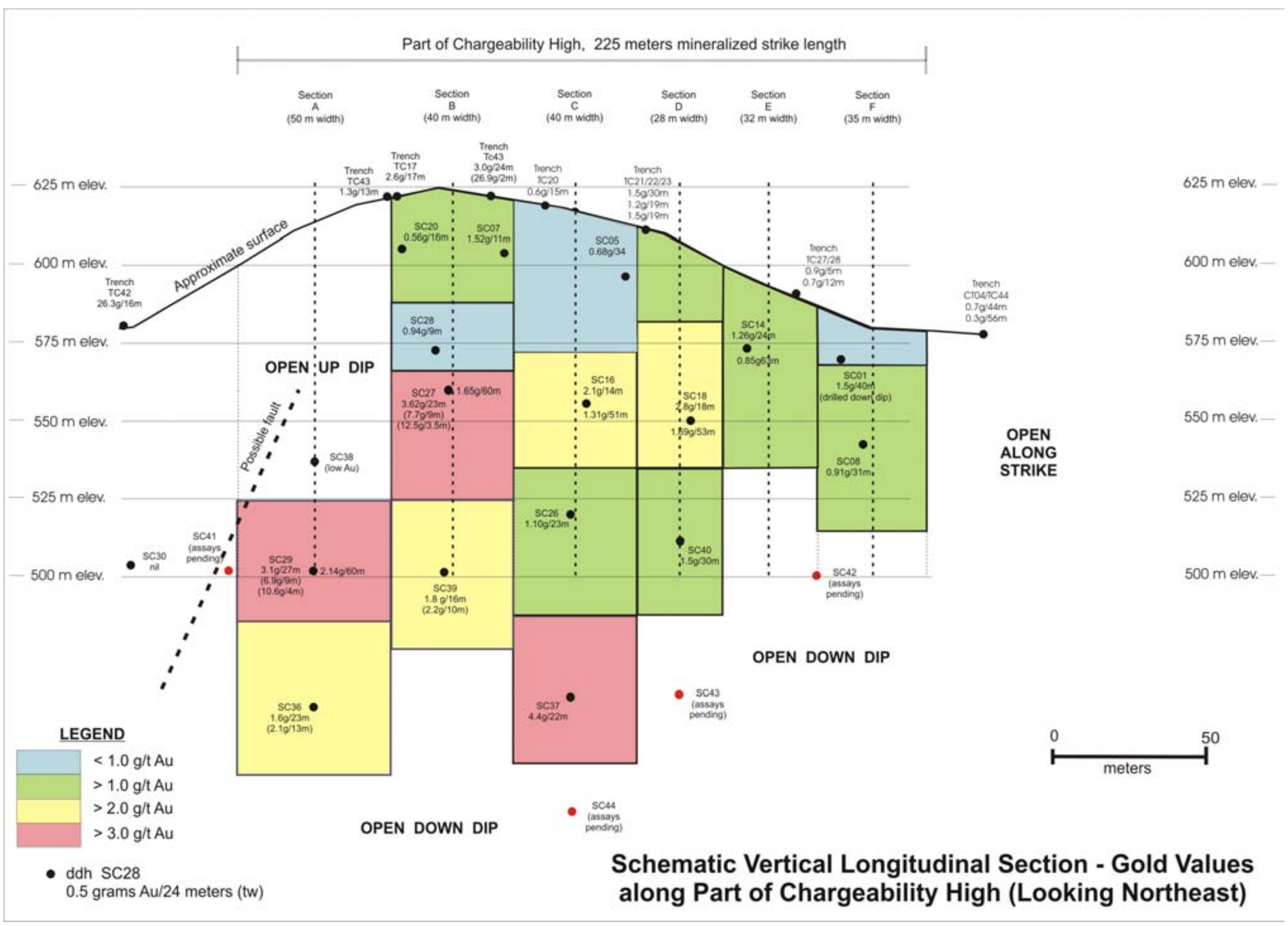
A total of only 41 drill holes have been completed to date on this large gold target. There is excellent potential to significantly increase the known size of the Los Candelones Gold deposit with further work. Diamond drilling is ongoing to develop a mineral resource by the end of this year.

The higher grade gold mineralization at Los Candelones occurs within an altered, silicified and brecciated structure in dacitic pyroclastic rock associated with pyrite, chalcopyrite and sphalerite. The correlation coefficient with gold for the four diamond drill holes, SC26 to SC 29 is 0.27 for silver, 0.14 for copper and 0.5 for zinc. The association of gold mineralization with copper and zinc is very similar to the mineralization at Pueblo Viejo.

Drill Hole	Interval		Length	Au	Ag	Cu	Zn
	From (m)	To (m)	m	g/t	g/t	ppm	%
SC26	51	88	37.0	0.89	1.06	343	0.20
SC27	41	67	26.0	3.62	2.83	3322	1.03
SC28	20	36	16.0	0.42	5.15	16600	0.01
SC29	57	88	31.0	3.12	1.34	1386	0.20
SC35	0	48	48	1.51	9.8	532	0.58
SC36	88	114	26	1.60	1.00	1200	0.30
SC37	54	79	25	4.42	0.89	875	1.11
SC39	33	51	18	1.76	0.10	542	0.34
SC40	74	107	33	1.47	1.50	857	0.41
SC41		assays pending					

A vertical longitudinal section through the northwest, 225 meters of strike length of drilled off gold mineralization which is coincident with the northwest end of an IP chargeability high is presented below. The mineralized zone is up to 130 meters wide within pyroclastic rocks and has a central core of silicified, altered and brecciated structure 20 to 30 meters thick which grades 1.0 to 4.4 g/t gold within a lower grade section up to 100 meters thick grading 0.3 to 0.5 g/t gold.

The longitudinal section represents only a small part of the greater than 900 meter length of the mineralized structure. The widths of the core mineralized zone have been converted to approximate true width.



Schematic Vertical Longitudinal Section - Gold Values along Part of Chargeability High (Looking Northeast)

UNIGOLD INC.

Form 51-102F1

Management Discussion and Analysis of Financial Results

The following discussion and analysis of the operating results and financial condition of Unigold Inc. ("Unigold" or the "Company") has been prepared as of April 20, 2005 and should be read in conjunction with the consolidated financial statements of the Company and notes thereto for the year ended December 31, 2004. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles.

Nature of Operations

The Company is in the process of exploring its mineral properties located in the Dominican Republic and has not as yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete its exploration program and upon future profitable production or proceeds from disposition of such properties.

Forward Looking Statements

This Management Discussion and Analysis of Financial Results, contains certain forward-looking statements related to, among other things, expected future events and the financial and operating results of the Company. Forward-looking statements are subject to inherent risks and uncertainties including, but not limited to, market and general economic conditions, changes in regulatory environments affecting the Company's business and the availability and terms of financing. Consequently, actual results and events may differ materially from those included in, contemplated or implied by such forward-looking statements for a variety of reasons.

Overview of Exploration Activities

During 2004, the Company incurred exploration expenditures of $1,098,856 on its Neita property in the Dominican Republic. The main focus has been on the Los Candelones Gold Deposit where 19 diamond drill holes have been completed to date by the Company totaling about 2300 meters. A brecciated and silicified central core was encountered with gold grades starting near surface of up to 4.4 grams per tonne (g/t) gold over 25 meters and 2.2 g/t gold over 61 meters and including 3.1 g/t gold over 31 meters. There is significant potential to increase the tonnage of this deposit at depth, along the strike and in parallel structures as outlined by the IP chargeability.

Major exploration expenditures were $273,218 for drilling and drill supplies and $147,016 for laboratory analysis. A payment to the Dominican Republic government of $130,913 (US$100,000) was made in 2004 to keep the properties in good standing. A further and final payment of US$100,000 is due in July 2005.

The diamond drilling has now demonstrated the on strike and down dip continuation of the 25 to 30 meter thick gold core of epithermal mineralization which grades from 1.0 to 4.4 g/t gold over 4 cross-sections located 50 meters apart. It is expected that this mineralized zone will be relatively continuous for at least an additional 400 meters to the southeast with small local fault offsets and join with the Los Candelones East mineralization. At Los Candelones East, mineralization in trenches assayed better than 1.0 g/t gold over about 100 meters and drill hole SC35 ran 1.5 g/t gold over 48 meters.

The existing trenched and diamond drilled mineralized area is a small part of the 1200 meter long by 600 meter wide gold in soil anomaly and coincident IP chargeability high which represents sulphide mineralization.

Due to insufficient funds the drilling program has been temporarily halted pending additional financing.

Mineral Properties

During 2004, the Company received a Presidential Decree authorizing Unigold Resources Inc., a wholly-owned subsidiary of the Company, to apply for exploration concessions over the Neita and Sabaneta fiscal reserves.

In July 2002, the Dominican Republic granted to Unigold Resources Inc. 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on both the Neita and Sabaneta properties, as well as a sole and exclusive option for the commercial mining of the mineral deposits. The initial duration of the Neita and Sabaneta fiscal reserves contracts was for six months, with two one-year extensions, after which the properties are required to be converted to exploration concessions. An exploration concession is issued for three years plus two one-year extensions after which it must be converted to an exploitation licence which is issued for 75 years.

According to Article 32 of Mining Law 146 of 1971 of the Dominican Republic, the same entity may not be granted one or more exploration concessions exceeding 30,000 hectares in the aggregate. Due to this limitation, the Company through Unigold Resources Inc. has applied for an exploration concession on the Neita property which covers an area of 22,616 hectares and has sold its mineral rights in respect of the Sabaneta property to two separate Dominican companies, Inversiones Mineras Sabaneta, S.A. (27,600 hectares) and Inversiones Mineras Aldajo, S.A. (28,120 hectares) for a total consideration of US$200,000 in aggregate (this amount is included in property receivable on the balance sheet). These companies have applied for two exploration concessions covering Sabaneta. The Company and the two Dominican companies have agreed to postpone the payment until the concessions have been granted.

Selected Annual Information

The Company's selected annual information for the three most recently completed financial years as at and for the years ending December 31st was as follows:

	2004	2003	2002
Total revenue	$ 4,497	$ 3,438	$ 361
Net (loss) income	(1,033,169)	(1,226,198)	1,057,294
Net (loss) income per share – basic and diluted	(0.04)	(0.07)	0.15
Total assets	3,558,140	3,021,592	1,376,542
Total liabilities	141,668	148,008	264,162
Shareholders' equity	3,413,641	2,870,753	1,109,549

The net income in 2002 includes a gain of $1,805,462 as a result of a settlement with a creditor of $1,588,280 of principal and $267,182 of accrued interest for a cash payment of $50,000.

Results of Operations

For the year ended December 31, 2004, the Company recorded a net loss of $1,033,169 or $0.04 per share compared with a net loss of $1,226,198 or $0.07 per share in 2003.

Revenue is limited to interest earned on cash balances and term deposits and amounted to $4,497 for the year compared to $3,438 for the prior year.

Administrative expenses decreased to $1,018,940 in 2004 compared to $1,212,530 in the previous year. The 2004 expenses include a non-cash stock option expense of $157,700 compared to $42,000 in the previous year.

The overall reduction in general administrative expenses in 2004 was mostly due to that 2003 included costs associated with the start-up of the Company and that many functions performed by consultants in 2003 were performed by management in 2004.

In order to allocate as much cash as possible to the exploration activities, management took a 30% deferment in salaries starting in August 2004. Accounts payable and accrued liabilities as at December 31, 2004 include $26,477 relating to this deferment.

Quarterly Information

The following is a summary of selected financial information for the quarterly periods indicated (all amounts are in $000's, except for per share amounts):

	2004				2003			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Net Revenues	$2	nil	$1	$1	$1	nil	$1	$1
Net income (loss)	$(372)	$(122)	$(255)	$(284)	$(323)	$(251)	$(150)	$(502)
Per share	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.02)	$(0.01)	$(0.01)	$(0.03)

Liquidity and Capital Resources

Cash on hand as of December 31, 2004 was $698,025, down $695,877 from the year ended December 31, 2003. As at December 31, 2004, the Company has working capital of $620,276.

The Company has no producing properties and, consequently, has no current operating income or cash flow. Financing of the Company's activities to date has been primarily obtained from equity issues. The continuing development of the Company's properties therefore depends on the Company's ability to obtain additional required financing. The Company is currently seeking additional financing as the current working capital is not sufficient to carry out the Company's activities. In order to maintain as much cash in the treasury as possible, the Company is reviewing all overhead costs in order to minimize or eliminate expenditures.

On October 12, 2004 the Company closed a private placement of 6,000,000 units of the Company ("Units") at a price of $0.25 per Unit for gross proceeds of $1,500,000. PowerOne Capital Markets Limited (the "Agent") sold 4,000,000 Units for gross proceeds of $1,000,000 and the Company sold 2,000,000 Units to accredited investors resident in the Province of Quebec for gross proceeds of $500,000. Each Unit consisted of one common share (a "Common Share") and one warrant, with each warrant entitling the holder thereof to purchase one common share of the Company at any time for a period of 24 months following the closing date at a price of $0.35. For its services in connection with this offering, the Agent has been paid a cash commission of $80,000 and has been issued a broker warrant exercisable to purchase up to 400,000 Units at a price of $0.25 per Unit for a period of two years after the closing date.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

During the year the Company paid consulting fees of $10,333 to an officer of the Company and $17,200 to a former director. These transactions were in the normal course of operations.

Fourth Quarter

With the exception of the stock-based compensation charge in the fourth quarter of $157,700 and a foreign exchange loss of $31,307, fourth quarter results were consistent with other quarters. Readers of this report are reminded that management is of the opinion that many costs of a junior exploration company, especially when its dependent upon obtaining financing from external sources, are highly variable from period to period and that analyses and comparisons of changes period to period are not meaningful.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

Critical Accounting Estimates

The Company prepares its financial statements in accordance with accounting principles generally accepted in Canada. The most significant accounting estimate is the policy of capitalizing exploration costs on its mining properties. The Company reviews its portfolio of properties on an annual basis to determine whether a write-down of the capitalized cost of any property is required under Canadian generally accepted accounting principles.

Changes in accounting policies

Stock-Based Compensation:
Effective January 1, 2004, the Company adopted the revisions to the CICA Handbook Section 3870, which require a fair value based method of accounting to be applied to all stock-based compensation arrangements. The fair value of each option is accounted for in operations, over the vesting period of the options, and the related credit is included in the contributed surplus.

During the prior year, as permitted by the standard, the Company had elected not to follow the fair value based method of accounting for stock-based compensation to employees and directors and disclosed the pro forma effect of accounting for stock options granted to employees and directors using the fair value based method.

As a result of applying this change on a retroactive basis without restatement of comparative figures, a cumulative adjustment to the opening balance of deficit of $686,100 has been made. If the change had been made on a retroactive basis with restatement of comparative amounts, stock-based compensation, and deficit in the year ended December 31, 2003 would have increased by $686,100. Contributed surplus as at December 31, 2003 would have also increased by $686,100 and basic and diluted loss per share would have increased by $0.04.

Asset Retirement Obligations:
Effective January 1, 2004, the Company adopted the new CICA accounting standard on “Asset retirement obligations”. Under the new standard the Company is required to record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its mining properties. This amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to mineral properties and deferred exploration costs and amortized over the useful life of the properties. As the Company does not currently have any legal obligations relating to the reclamation of its mineral properties, the adoption of this standard had no impact on the accounts of the Company.

Financial Instruments

The carrying values of sundry receivables and accounts payable and accrued liabilities, as reflected in the consolidated balance sheets approximate their fair value.

Other

The Company’s authorized share capital consists of an unlimited number of common shares of which 33,224,735 common shares are outstanding. The Company has 10,562,501 share purchase warrants outstanding with exercise prices ranging from $0.30 to $0.55. The Company also has outstanding 2,735,000 stock options, with exercise prices ranging from $0.25 to $0.75 with expiry dates from February 13, 2008 to November 10, 2009 and broker warrants exercisable to purchase up to 400,000 units at a price of $0.25 per unit until October 12, 2006. Each unit consists of one common share and one warrant, with each warrant entitling the holder thereof to purchase one common share of the Company until October 12, 2006 at a price of $0.35 per share.

In November 2003, the Company signed a letter of intent with the Dominican Republic government to acquire the revenue from the NSR payable to the government on production from the Pueblo Viejo Gold Deposit. The government changed as a result of a presidential election held in 2004 and the Company has since abandoned its attempts to come to an agreement with the new government.

Outlook

As a result of insufficient funds the drilling program has been temporarily halted and the Company is currently seeking financing and/or a joint-venture agreement with a major company in order to continue the drilling program on the Los Candelones Gold Deposit. When re-started, the drilling program will be designed to outline higher grade zones, confirm the mineralization continuity on the sulphide zones as shown by the IP and also to confirm gold mineralization continuity within the sections of the other chargeability zones where they have not yet been tested by diamond drilling. It is expected that with the additional drilling, sufficient gold mineralization will be outlined to undertake an independent mineral resource estimate.

Qualified Person

The foregoing scientific and technical information has been prepared or reviewed by John P. Thompson, the President and Chief Executive Officer of the Company. Mr. Thompson is a "qualified person" within the meaning of National Instrument 43-101. Mr. Thompson also supervises all work associated with the Company's exploration programs in the Dominican Republic.

Risks and Uncertainties

At the present time, the Company does not hold any interest in a mining property in production. The Company'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 Company 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 Company's control.

The Company 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 the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company 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 Company with the possible dilution or loss of such interests.

Additional information relating to the Company may be accessed by visiting the SEDAR website at www.sedar.com.

Management's Responsibility for Financial Reporting

The consolidated financial statements are the responsibility of the Company's management. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect management's best current estimates.

Management has developed and maintains systems of internal control to ensure that the Company's assets are protected from loss or improper use, transactions are authorized and properly recorded and financial records are reliable.

The Board of Directors carries out its responsibilities for these consolidated financial statements principally through its Audit Committee. The Audit Committee meets periodically with management and the auditors to review the consolidated financial statements and the results of audit examinations.

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

J P Thompson

John P. Thompson
President and Chief Executive Officer

J. Del Campo

Joseph Del Campo
Vice President, Finance and
Chief Financial Officer

AUDITORS' REPORT

To the Shareholders of Unigold Inc.

We have audited the consolidated balance sheets of Unigold Inc. (the "Company") (a development stage company) as at December 31, 2004 and 2003 and the consolidated statements of operations and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004 and 2003 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Toronto, Canada
March 11, 2005

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS
(Canadian $)

	As at December 31, 2004	As at December 31, 2003
Current assets		
Cash	$ 698,025	$ 1,393,902
Sundry receivables	44,487	36,239
Prepaid expenses	19,432	19,432
	761,944	1,449,573
Property receivable *(note 5)*	238,271	---
Equipment *(note 4)*	232,676	257,356
Mineral Properties *(note 5)*	308,609	396,879
Deferred exploration costs *(note 5)*	1,916,640	817,784
Public listing status	100,000	100,000
	$ 3,558,140	**$ 3,021,592**
Current liabilities		
Accounts payable and accrued liabilities	$ 141,668	$ 148,008
Contingencies *(note 11)*		
Non-controlling interest	2,831	2,831
Shareholders' Equity		
Common shares *(note 6(a))*	8,343,302	7,429,779
Share purchase warrants *(note 6(b))*	984,782	552,781
Contributed surplus *(note 6(d))*	958,633	42,000
Deficit	(6,873,076)	(5,153,807)
	3,413,641	2,870,753
	$ 3,558,140	**$ 3,021,592**

Approved on Behalf of the Board:

J P Thompson J. Del Campo

John P. Thompson - *Director* Joseph Del Campo - *Director*

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Canadian $)

	For the 12 months ended December 31, 2004	2003
Revenue		
Interest income	$ 4,497	$ 3,438
Administrative expenses		
Salaries and wages	290,404	233,732
Stock-based compensation	157,700	42,000
Listing and shareholder information	149,315	267,654
Travel, promotion and business development	138,976	289,135
General and administrative expenses	131,525	130,356
Professional fees	61,012	110,671
Consulting fees	47,533	111,004
Foreign exchange loss	24,992	7,221
Loss on disposal of mineral property	18,726	---
Loss on sale of marketable securities	---	17,106
Amortization	17,483	20,757
	1,037,666	1,229,636
Net loss for the year	(1,033,169)	(1,226,198)
Deficit, beginning of year	(5,153,807)	(3,927,609)
	(6,186,976)	(5,153,807)
Change in accounting policy *(note 2)*	(686,100)	---
Deficit, end of year	**$(6,873,076)**	**$ (5,153,807)**
Loss per share – Basic and diluted	**$ (0.04)**	**$ (0.07)**
Weighted average number of shares outstanding	27,248,667	18,193,560

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Canadian $)

	For the 12 months ended December 31, 2004	2003
Cash flows from operating activities		
Net loss for the year	$(1,033,169)	$(1,226,198)
Add items not requiring cash:		
Amortization	17,483	20,757
Loss on sale of marketable securities	---	17,106
Loss on disposal of mineral property	18,726	---
Stock-based compensation	157,700	42,000
	(839,260)	(1,146,335)
Net changes in non-cash working capital balances *(note 9)*	(14,588)	57,212
	(853,848)	(1,089,123)
Cash flows from financing activities		
Private placements, net of costs	1,320,857	2,799,152
Exercise of share purchase warrants	97,500	---
Exercise of stock options	---	146,250
	1,418,357	2,945,402
Cash flows from investing activities		
Deferred exploration costs	(1,148,301)	(673,633)
Acquisition of equipment	(46,629)	(278,113)
Mineral properties, net	(65,456)	(138,604)
	(1,260,386)	(1,090,350)
(Decrease) increase in cash	(695,877)	765,929
Cash, beginning of year	1,393,902	627,973
Cash, end of year	**$ 698,025**	**$ 1,393,902**
Supplemental Information		
Income taxes paid	---	---
Interest paid	---	---
Property receivable due on property sale	238,271	---

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Canadian $)

As at December 31, 2004 and 2003

1. NATURE OF OPERATIONS AND GOING CONCERN

Unigold Inc. (the "Company") is a development stage company and is in the process of exploring its mineral properties in the Dominican Republic.

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 the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values. The Company's mining assets 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 uncertainties.

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

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate it liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

The Company has a need for equity capital and financing for working capital and exploration requirements. Because of limited working capital and continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations.

The accompanying consolidated financial statements do not include any adjustments relating to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. CHANGES IN ACCOUNTING POLICIES

Stock-Based Compensation:
Effective January 1, 2004, the Company adopted the revisions to the CICA Handbook Section 3870, which require a fair value based method of accounting to be applied to all stock-based compensation arrangements. The fair value of each option is accounted for in operations, over the vesting period of the options, and the related credit is included in the contributed surplus.

During the prior year, as permitted by the standard, the Company had elected not to follow the fair value based method of accounting for stock-based compensation to employees and directors and disclosed the pro forma effect of accounting for stock options granted to employees and directors using the fair value based method.

As a result of applying this change on a retroactive basis without restatement of comparative figures, a cumulative adjustment to the opening balance of deficit of $686,100 has been made. If the change had been made on a retroactive basis with restatement of comparative amounts, stock-based compensation, and deficit in the year ended December 31, 2003 would have increased by $686,100. Contributed surplus as at December 31, 2003 would have also increased by $686,100 and basic and diluted loss per share would have increased by $0.04.

The Company's stock-based compensation plans are described in Note 6(c).

Asset Retirement Obligations:
Effective January 1, 2004, the Company adopted the new CICA accounting standard on "Asset retirement obligations". Under the new standard the Company is required to record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its mining properties. This amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to mineral properties and deferred exploration costs and amortized over the useful life of the properties. As the Company does not currently have any legal obligations relating to the reclamation of its mineral properties, the adoption of this standard had no impact on the accounts of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The significant accounting policies are summarized as follows:

Principles of Consolidation:
These consolidated financial statements include the accounts of the Company, which is incorporated in Canada under the Ontario Business Corporations Act, and its wholly owned subsidiary, Unigold Resources Inc., which is incorporated in Canada under the Canada Business Corporations Act, and its 96.7% owned subsidiary, Unigold Dominicana, S.A., which is incorporated in the Dominican Republic.

Foreign Exchange Translation:
The Company considers the Canadian dollar to be the functional currency of its primary operations and, accordingly, amounts denominated in other currencies are translated into Canadian dollars using the temporal method. This method translates monetary balances at the rates of exchange at the dates of the consolidated balance sheet, non-monetary balances at historical exchange rates and revenue and expense items at average exchange rates during the year, except for amortization which is translated at rates pertaining to the related equipment. The resulting gains and losses are included in the consolidated statements of operations and deficit.

Mineral Properties and Deferred Exploration:
Mineral properties are recorded at the direct cost of acquisition. Deferred exploration costs represent the costs incurred in conducting exploration work for unknown or unproven ore deposits. These costs are deferred until the commencement of commercial mining operations, or until such time that the interests in the associated properties are disposed of. Deferred exploration costs associated with projects, which 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.

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

The Company reviews its mineral properties on an annual basis to determine if events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The recoverability of costs incurred on the mineral properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. In reviewing its mineral properties, the Company estimates the potential future cash flows expected to result from each asset and its eventual disposition. If the sum of the undiscounted, expected potential future cash flow is less than the carrying value of the asset, an impairment loss is recognized. It is reasonably possible, based on existing knowledge, that changes in future conditions in the near-term could require a change in the determination of the need for and amount of any write down.

Use of Estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported

amounts of revenue and expense during the report period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Loss Per Share:
Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common 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.

Public Listing Status:
The public listing status was acquired as a result of a business combination in a prior year and is considered to have an indefinite life. Should the Company determine that there is an impairment in the value of this asset, an appropriate write down of value will be charged to operations.

Equipment and Amortization:
Equipment is recorded at cost. The equipment noted below is amortized over their estimated useful lives using the following annual rates and methods.

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

Amortization of equipment related to exploration activities has been capitalized to deferred exploration costs.

Income Taxes:
The Company uses the liability method of accounting for income taxes. Under this method of tax allocation, future income taxes are determined based on the differences between the financial reporting amounts and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the substantively enacted tax rates that are expected to be in effect in the periods in which the income tax assets and liabilities are expected to be settled or realized. A valuation allowance is provided to the extent that it is more likely than not that future income tax assets will not be realized.

4. EQUIPMENT

As at December 31, 2004	Cost	Accumulated Amortization	Net
Office furniture and equipment	$ 25,278	$ 8,620	$ 16,658
Computer equipment	65,655	31,628	34,027
Vehicles	59,901	20,347	39,554
Field equipment	197,829	55,392	142,437
	$348,663	$115,987	$232,676

As at December 31, 2003	Cost	Accumulated Amortization	Net
Office furniture and equipment	$ 22,277	$ 4,455	$ 17,822
Computer equipment	59,297	17,045	42,252
Vehicles	22,631	3,395	19,236
Field equipment	197,829	19,783	178,046
	$302,034	$ 44,678	$257,356

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Mineral properties and deferred exploration costs consist of the following:

	Balance, Dec. 31, 2002	Additions	Balance, Dec. 31, 2003	Additions	Sale	Balance, Dec. 31, 2004
Mineral properties						
Neita	$ 129,138	$ 30,588	$ 159,726	$ 65,456	$ ---	$ 225,182
Sabaneta	129,137	24,589	153,726	135,000	(288,726)	---
Los Guandules	---	83,427	83,427	---	---	83,427
	$ 258,275	$ 138,604	$ 396,879	$ 200,456	$(288,726)	$ 308,609
Deferred exploration costs						
Neita	$ 144,151	$ 673,633	$ 817,784	$1,098,856	$ ---	$1,916,640
Sabaneta	---	---	---	---	---	---
Los Guandules	---	---	---	---	---	---
	$ 144,151	$ 673,633	$ 817,784	$1,098,856	$ ---	$1,916,640
Total	$ 402,426	$ 812,237	$1,214,663	$1,299,312	$(288,726)	$2,225,249

Neita and Sabaneta Properties

In July 2002, the Dominican Republic granted to Unigold Resources Inc. 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on both the Neita and Sabaneta properties, as well as a sole and exclusive option for the commercial mining of the mineral deposits. The initial duration of the Neita and Sabaneta fiscal reserve contracts was for six months, with two one-year extensions, after which the properties are required to be converted to exploration concessions. An exploration concession is issued for three years plus two one-year extensions after which it must be converted to an exploitation licence which is issued for 75 years.

The Neita Property covers an area of 25,221 hectares in Central Cordillera of northwestern Dominican Republic. Pursuant to the Neita Exploration Contract, the Dominican Republic granted the Company the exploration rights for gold, silver, zinc, copper and all associated minerals in the property, as well as the sole and exclusive option for the commercial mining of the mineral deposits. The Company is required to pay to the Dominican Republic surface tax in a nominal amount, as well as pay the following amounts:

(a) US$30,000 on the day of signing the contract (paid);
(b) US$20,000 on July 10, 2003 (paid);
(c) US$50,000 on July 10, 2004 (paid);
(d) US$50,000 on July 10, 2005.

In the event that mining commences on the Neita property, the Company will be obligated to pay tax equal to 25% of its net taxable income, plus a further 5% of net taxable income to municipalities, as well as payment of the aforementioned surface tax.

According to the mining laws of the Dominican Republic, the same entity may not be granted one or more exploration concessions exceeding 30,000 hectares in the aggregate. Due to this limitation, the Company through Unigold Resources Inc. has applied for an exploration concession on the Neita property which covers an area of 25,221 hectares and has sold its mineral rights in respect of the Sabaneta property which totals 55,720 hectares to two separate Dominican companies, Inversiones Mineras Sabaneta, S.A. (27,600 hectares) and Inversiones Mineras Aldajo, S.A. (28,120 hectares) for total consideration to consist of US$200,000 in aggregate. The Company and the two Dominican companies have agreed to postpone the payment until the concessions have been granted. The Canadian dollar equivalent of $238,271 is reflected as property receivable on the balance sheet.

Los Guandules

On February 16, 2004, the Company entered into a definitive agreement with Americana de Exploitaciones Mineras, S.A. ("Americana"), a Dominican private company, and the shareholders thereof relating to the acquisition by the Company of the Los Guandules concession in the Municipalities of Elias Pina and Dajabon, Dominican Republic. Under the terms of the agreement, in consideration for the payment of US$30,000 (which has been previously paid) and the issue of an aggregate of 330,000 common shares of the Company, the Company will be granted an option to acquire, at its election, the rights of Americana under the Los Guandules concession agreement or all of the shares of Americana for the price of $1.00 at any time for a period of five years. Completion of the transaction is subject to the receipt of all required regulatory approvals and the issuance of 330,000 common shares of the Company. The only material asset or liability of Americana is the Los Guandules property.

6. SHARE CAPITAL

(a) Common Shares
Authorized - unlimited number of common shares without par value
Issued – 33,224,735 common shares

Transactions during the years ended December 31, 2004 and 2003 are as follows:

	Number of Shares	Amount
Balance, December 31, 2002	16,201,402	$ 5,037,158
Private placements (ii)	9,983,334	2,953,267
Shares issued for services	378,333	99,000
Stock options exercised	195,000	146,250
Share issue costs	---	(805,896)
Balance, December 31, 2003	26,758,069	$ 7,429,779
Shares Issued:		
Private placement (i)	6,000,000	1,000,000
Share purchase warrants exercised	466,666	144,666
Share issue costs	---	(231,143)
Balance, December 31, 2004	33,224,735	$ 8,343,302

(i) On October 12, 2004 the Company closed a private placement of 6,000,000 units of the Company ("Units") at a price of $0.25 per Unit for gross proceeds of $1,500,000. PowerOne Capital Markets Limited (the "Agent") sold 4,000,000 Units for gross proceeds of $1,000,000 and the Company sold 2,000,000 Units to accredited investors resident in the Province of Quebec for gross proceeds of $500,000. Each Unit consisted of one common share (a "Common Share") and one warrant, with each warrant entitling the holder thereof to purchase one common share of the Company at any time for a period of 24 months following the closing date at a price of $0.35. The gross proceeds have been prorated to common shares and share purchase warrants based on the relative fair value of each component, as follows: shares - $1 million; share purchase warrants - $500,000. The Black-Scholes option pricing model was used to determine the fair market value of the warrants using the following assumptions: expected dividend yield: 0%; expected volatility: 100%; risk-free interest rate: 4.0%; and an expected life of two years. For its services in connection with this offering, the Agent has been paid a cash commission of $80,000 and has been issued a broker warrant exercisable to purchase up to 400,000 Units at a price of $0.25 per Unit for a period of two years after the closing date. The fair value of the brokers warrants, estimate to be $52,000, has been included in contributed surplus. The Black-Scholes option pricing model was used to determine the fair market value of the broker warrants using the following assumptions: expected dividend yield: 0%; expected volatility: 100%; risk-free interest rate: 4.0%; and an expected life of two years.

(ii) On March 3, 2003, the Company closed a $500,000 private placement by issuing 833,333 units to three arm's length purchasers at a price of $0.60 per unit, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of $0.75 for one year. The share purchase warrants have been valued at $20,833.

On July 4, 2003, the Company closed a brokered private placement with Maison Placements Canada Inc. (the "Agent") to issue 2,736,666 common shares of the Company at $0.30 per common share for gross proceeds of $821,000. The shares were subject to a four-month hold period from the date of issue. For its services in connection with this offering, the Agent has been paid a cash commission of $57,470, being seven percent of the gross proceeds of the offering, as well as 410,500 broker warrants which will ultimately entitle the Agent to purchase that number of common shares at a price of $0.30 per common share for a maximum period of two years form the date of closing. The warrants have been valued at $72,248. The Agent has also been paid a work fee of $100,000, $30,000 of which has been paid in cash and the balance of which has been paid by issuing the Agent 233,333 common shares.

On October 9, 2003, the Company closed a brokered private placement with Maison Placements Canada Inc. (the "Agent") to issue 6,080,000 Units of the Company at a price of $0.30 per Unit for gross proceeds of $1,824,000. Each Unit consists of one common share and one-half of one warrant, with each whole warrant entitling the holder thereof to purchase one common share at any time for a period of 24 months following the closing date at a price of $0.45 for the first 12 months following the closing date and thereafter for a further period of 12 months at a price of $0.55. The shares were subject to a four-month hold period from the date of issue. For its services in connection with this offering, the Agent has been paid a cash commission of $127,680, being seven percent of the gross proceeds of the offering, as well as 912,000 broker warrants which will ultimately entitle the Agent to purchase that number of common shares at a price of $0.30 per common share for a maximum period of two years form the date of closing. The 912,000 broker warrants have been valued at $143,680.

On October 20, 2003, the Company closed a brokered private placement with Maison Placements Canada Inc. (the "Agent") to issue 333,335 Units of the Company at a price of $0.30 per Unit for gross proceeds of $100,000. Each Unit consists of one common share and one-half of one warrant, with each whole warrant entitling the holder thereof to purchase one common share at any time for a period of 24 months following the closing date at a price of $0.45 for the first 12 months following the closing date and thereafter for a further period of 12 months at a price of $0.55. The shares were subject to a four-month hold period from the date of issue. For its services in connection with this offering, the Agent has been paid a cash commission of $7,000, being seven percent of the gross proceeds of the offering, as well as 50,000 broker warrants which will ultimately entitle the Agent to purchase that number of common shares at a price of $0.30 per common share for a maximum period of two years form the date of closing. The 50,000 broker warrants have been valued at $7,000.

All the broker warrants referred to above were valued using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield of 0%, expected volatility of 79%, risk-free interest rate of 3.5%, and an expected life of 2 years.

(b) Share Purchase Warrants

As at December 31, 2004, the following share purchase warrants are outstanding:

Exercise Price	Number of Shares	Estimated Value	Expiry Date
$0.30	410,500	$ 72,248	July 4, 2005
$0.55	3,023,334	256,234	Oct 9, 2005
$0.30	912,000	136,800	Oct 9, 2005
$0.55	166,667	12,500	Oct 20, 2005
$0.30	50,000	7,000	Oct 20, 2005
$0.35	6,000,000	500,000	Oct 12, 2006
	10,562,501	$ 984,782	

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

	December 31, 2004			December 31, 2003		
	Number	Weighted average exercise price	Fair value	Number	Weighted average exercise price	Fair value
Balance, beginning of year	5,445,833	$0.44	$ 552,781	---	---	$ ---
Issued	6,000,000	$0.35	500,000	5,445,833	$0.44	552,781
Expired	(416,666)	$0.75	(20,833)	---	---	---
Exercised	(466,666)	$0.21	(47,166)	---	---	---
Balance, end of year	10,562,501	$0.42	$ 984,782	5,445,833	$0.44	$ 552,781

(c) Stock-based Compensation

Stock option plan

The Company has a stock option plan (the "Plan"), which was approved by the shareholders on May 7, 2003. The purpose of the Plan is to attract, retain and motivate management, staff and consultants by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of options to be issued under the plan shall not exceed 10% of the total number of common shares issued and outstanding. The options are non-transferable and may be granted for a term not exceeding ten 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.

Share purchase plan

The Company has a share purchase plan that provides the directors of the Company with the authority to select those employees and members of management of the Company and designated affiliates who may participate in the share purchase plan. The Company matches the participant's contribution, which cannot exceed ten per cent of the participant's basic annual remuneration, on a quarterly basis and each participant is then issued Common Shares having a value equal to the aggregate amount contributed to the share purchase plan by the participant and the Company. The purchase price per share is the weighted average price of the Common Shares on a stock exchange for the calendar quarter in respect of which the Common Shares are issued. Such Common Shares are delivered to participants 12 months following their date of issue. A maximum of 850,000 Common Shares may be issued pursuant to the share purchase plan. To date, no Common Shares have been issued pursuant to the share purchase plan.

Share Bonus Plan

The share bonus plan permits Common Shares to be issued as a discretionary bonus to employees and management of the Company and designated affiliates. A maximum of 200,000 Common Shares may be issued pursuant to the share bonus plan. To date, no Common Shares have been issued pursuant to the share bonus plan.

A summary of the status of the Stock Option Plan as at December 31, 2004 and 2003 and changes during the years ended on those dates is presented below:

	December 31, 2004		December 31, 2003	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of year	2,415,000	$0.60	---	---
Granted	830,000	$0.25	2,610,000	$0.62
Exercised	---	---	(195,000)	$0.75
Cancelled / Expired	(510,000)	---	---	---
Outstanding, end of year	2,735,000	$0.49	2,415,000	$0.60

As at December 31, 2004, the Company had stock options issued to directors, officers and employees of the Company outstanding as follows:

Number of Options	Exercise Price	Expiry Date
985,000	$0.75	February 13, 2008
135,000	$0.33	May 7, 2008
270,000	$0.40	August 21, 2008
515,000	$0.48	October 9, 2008
830,000	$0.25	November 10, 2009
2,735,000		

(d) Contributed Surplus
A summary of contributed surplus activity during the years ended December 31, 2004 and 2003 is presented below:

	2004	2003
Balance, beginning of year	$ 42,000	$ ---
Change in accounting policy (note 2)	686,100	---
Fair value stock options granted to employees	138,700	---
Fair value stock options granted to non-employees	19,000	42,000
Share purchase warrants expired	20,833	---
Broker warrant granted	52,000	---
Balance, end of year	$ 958,633	$ 42,000

The fair value of stock options granted to employees during the year ended December 31, 2003 was $686,100 (see Note 2).

The fair value of the stock options granted during the year was determined using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield: 0% (2003 – 0%); expected volatility: 100% (2003 – 89%); risk-free interest rate: 4.0% (2003 – 3.5%); and an expected life of 5 years (2003 – 5 years).

7. INCOME TAXES

The Company utilizes the asset and liability method of accounting for income taxes.

(a) Provision for Income Taxes

Major items causing the Company's income tax rate to differ from the combined Canadian federal and provincial statutory rate of approximately 36% (2003 – 39%) were as follows:

	2004	2003
Loss before taxes:	$(1,033,169)	$(1,226,198)
Expected income tax (recovery)	(372,000)	(478,200)
Increase (decrease) resulting from:		
Non-deductible expenses:		
Loss on sale of investments	---	7,000
Other	11,000	5,000
Share issue costs	(52,000)	(43,000)
Current year valuation allowance	413,000	509,000
	$ ---	$ ---

(b) Future Tax Balances

The tax effects of temporary differences that give rise to future income tax assets at December 31, 2004 and 2003 are as follows:

	2004	2003
Future income tax assets – long-term portion:		
Resource properties	$ 614,000	$ 1,536,000
Non-capital losses	1,850,000	1,866,000
Equipment	25,000	---
Share issue costs	169,000	170,000
Valuation allowance	(2,658,000)	(3,572,000)
	$ ---	$ ---

The Company has approximately $888,000 (2003 - $888,000) and $1,795,000 (2003 – $1,795,000) of Canadian development expenses and Canadian exploration expenditures, respectively, and $1,247,000 (2003 – 1,243,000) of foreign exploration expenditures as at December 31, 2004 which, under certain circumstances, may be utilized to reduce taxable income of future years. As at December 31, 2004, the Company had available for deduction against future taxable income, non-capital losses of approximately $5,140,000 (2003 - $4,634,000) which expire as follows:

Year of Expiry	Amount
2005	$ 664,000
2006	432,000
2007	283,000
2008	639,000
2009	690,000
2010	1,284,000
2014	1,148,000
	$5,140,000

8. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2004, the Company incurred costs of $27,533 (2003 - $88,620) for consulting services provided by its directors and officers. See note 11.

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

9. CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash working capital balances related to operating and investing activities consists of the following:

	2004	2003
Sundry receivables	$(246,519)	$ 6,437
Prepaid expenses	---	27,485
Accounts payable and accrued liabilities	(6,340)	(116,154)
Proceeds on sale of marketable securities	---	139,444
	$(252,859)	$ 57,212

10. FINANCIAL INSTRUMENTS

Fair Value
Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet 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 carrying amounts for sundry receivables and accounts payable and accrued liabilities on the balance sheets approximate fair value because of the limited term of these instruments.

Foreign Exchange Risk
The Company is subject to foreign exchange risk as some of its operating and investing activities are transacted in currencies other than the Canadian dollar. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the Canadian dollar.

Commodity Price Risk
The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

11. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The Company is committed to a minimum amount rental under a long-term lease for premises which expires January 31, 2006. Minimum rental commitments under the lease are $86,522. Minimum rental commitments for successive years are as follows: 2005 - $79,866; 2006 - $6,656.

The Company is also a party to certain management contracts. These contracts contain clauses requiring additional payments be made upon the change of control of the Company, the likelihood of which is not determinable.

During 2004, the Company was named as a defendant in two statements of claim in the Dominican Republic. A former consultant of the Company who is seeking damages in the amount of 700,000 Pesos (approximately Canadian $30,000) for severance and pain and suffering filed the first claim. The second claim was filed by a tenant of one of the Company's mineral properties for damages in the amount of 2,000,000 Pesos (approximately Canadian $85,000) for land use. The Company and its Dominican legal advisers believe that both actions are without merit and will continue to vigorously contest both claims. As the outcome of these claims is not determinable, no provision for the contingent loss has been reflected in these consolidated financial statements.

12. SEGMENTED INFORMATION

The Company's only activity is mineral exploration and development. All of the Company's exploration activities relate to the Dominican Republic properties referred to in Note 5.

	2004			2003		
	Canada	Dominican Republic	Total	Canada	Dominican Republic	Total
Assets	$ 905,960	$2,652,180	$3,558,140	$1,524,355	$1,497,237	$3,021,592
Liabilities	42,905	98,763	141,668	51,934	98,905	150,839
Interest income	4,140	357	4,497	3,438	---	3,438
Administrative expenses	1,022,959	14,707	1,037,666	1,212,530	---	1,212,530

CORPORATE INFORMATION

DIRECTORS

John P. Thompson
Joseph Del Campo *
David R. Bell *
J. Christopher Cowan *
Jose Acero

* Members of the Audit Committee

OFFICERS

John P. Thompson, MSC, PENG,
President and Chief Executive Officer

Joseph Del Campo, CMA,
Vice President, Finance
and Chief Financial Officer

Rene P. Soder
Vice President, Corporate Affairs

Daniel Danis, MSC,
Vice President, Exploration

Auditors
McGovern, Hurley, Cunningham, LLP
Toronto, Ontario

Legal Counsel
Fraser Milner Casgrain LLP
Toronto, Ontario

Garcia Campos & Asociados
Santo Domingo, Dominican Republic

Registrar and Transfer Agent
Computershare Trust Company of Canada
Toronto, Ontario

Bankers
National Bank of Canada
Toronto, Ontario

Stock Listing
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Annual Meeting
The Annual Meeting of Shareholders will be held at 10:00 a.m., on Thursday, June 16, 2005 at the Toronto Board of Trade, 1 First Canadian Place, 3rd Floor, Ketchum/Osgoode Room, Toronto, Ontario, Canada.

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