Focusing on gold assets in the Dominican Republic

UNIGOLD

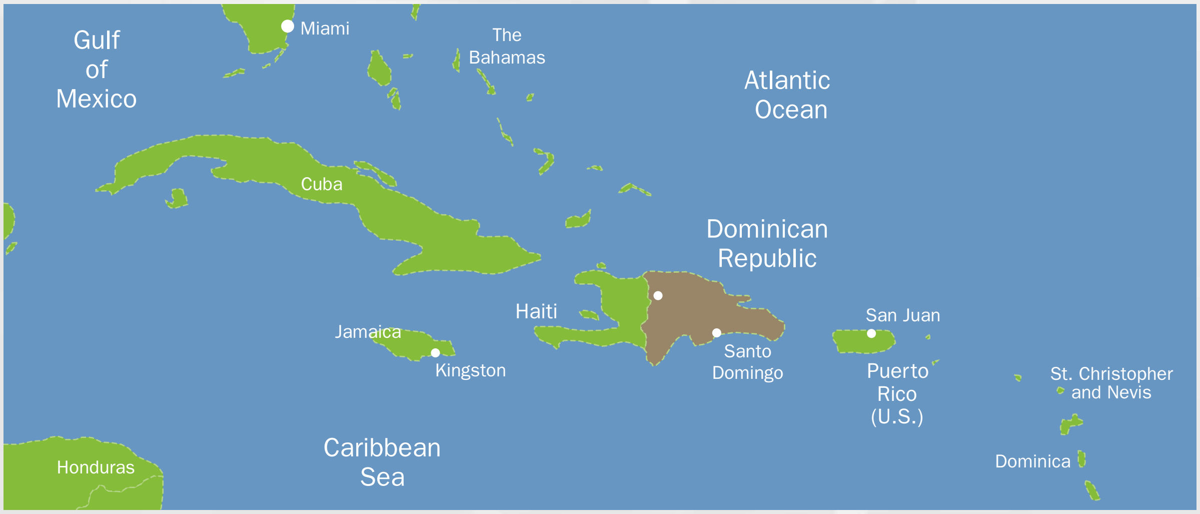
2007 ANNUAL REPORT

Corporate Profile

CORPORATE PROFILE

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

Currently the Company is exploring for bulk tonnage, near surface, open pittable, epithermal gold deposits on its 226 square kilometre Neita Property.



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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.

Highlights and Objectives

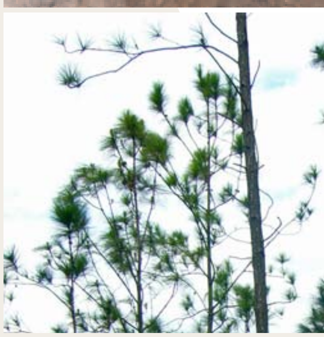
2007 Highlights

- New gold discoveries on Neita (Noisy, Juan del Bosque, Fogon, and Palo Quemado)
- New gold extensions on Candelones SE and Candelones SW
- Mag and Em airborne survey of 2,600 kilometres of lines spaced at 200 metres
- High sulfidation gold epithermal model applied to Los Candelones which led to high-grade zone discovery
- First North American company to be listed on the Dubai DIFX
- Obtained a reconnaissance license in the Kingdom of Saudi Arabia

2008 Objectives

- To develop a gold resource and reserve in excess of 1,500,000 ounces through a 10,000 metre diamond drilling program at Los Candelones
- To develop new drill targets at:
  - Juan del Bosque (5,000 metres)
  - Los Candelones SE and SW
  - Rosso and Noisy

LOS CANDELONES PROPERTY



Chairman's Message

Dear valued shareholder,

The year 2007 was a complex one in terms of world economic events and their effect on most sectors of the business community. As you are aware, the Asset-Backed Commercial Paper situation (ABCP) has had a very adverse effect not only on the mining industry but on almost all other businesses. The majority of junior exploration companies were affected by the lack of conformity between the gold price and market share prices. The reasons for this include investors' liquidity, geopolitical risks, cost escalation and permitting delays. However, there are potential catalysts for improvement, such as new discoveries, mergers and acquisitions, and the flow of new funds into the sector.

Notwithstanding all of the above, Unigold Inc. continued and completed its field exploration programs in 2007 as planned, resulting in the total coverage of the Los Candelones gold deposit area. Furthermore, the Company widened its scope of exploration to cover larger areas within its concession. Unigold also started the field exploration work in new areas based on earlier findings from regional work.

Dedicate Value to Capture Returns

Unigold is still seeking potential added-value projects as per its expansion strategy worldwide while seeking to transform itself from junior explorer to gold producer in the near future.

I am convinced that the exploration programs implemented during the past two years will yield fruit in 2008 and would like to encourage our shareholders to hold on to their shares and to acquire additional shares to reap the benefits, which I will do as well.

Dr. Talal A. Alshair
Chairman of the Board

May 14, 2008

Properties

PROPERTIES

Property Acquisitions

In July 2002, Unigold acquired a 100% interest in the Neita (25,221 hectares) and Sabaneta (55,720 hectares) Fiscal Reserves by way of a special contract ratified by Congress and Senate of the Dominican Republic government. These Fiscal Reserve properties were held by the Dominican Republic government and were not available for acquisition until 2002.

Unigold was granted 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on 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 six months but with two one-year extensions after which the property had to be converted to a Concession. A Concession is issued for 3 years plus two one-year extensions after which it must be converted to an Exploitation License 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. applied for an exploration concession on the Neita Property which covers an area of 22,616 hectares and sold its mineral rights in respect of the Sabaneta property.

Unigold was required to pay to the Dominican Republic government 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. There were no fixed yearly exploration expenditures required, however, Unigold had to spend US$2.0 million over a 3-year period. Unigold has made all the required payments to the Dominican Republic government and has met its exploration expenditure requirement.

In 2006, the Dominican Republic government granted to Unigold the concession on the Neita Property and granted Sabaneta concessions to Inversiones Mineras Sabaneta, S.A. and Inversiones Mineras Aldajo, S.A.

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 exempted from sales tax, corporate taxes and import-export duties during this period of time.

The Company also has 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

The government of the Dominican Republic has granted free zone status to the Company properties for a period of 20 years

Pueblo Viejo Gold deposit. This property contains the Rosso Gold showing which is on an extension of a mineralized structure, located on the Neita Property. Previous trenching in the 1980's on the Rosso showing has returned values up to 2.4 grams per tonne (“g/t”) gold over 29 metres. Float has also assayed up to 7.9% copper. Three shallow drill holes were completed in the 1980's and intersected gold mineralization.

Neita Property

General Exploration

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

The Neita Property (22,616 ha) is underlain by very favourable Cretaceous age volcanic geology 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 kilometre long structural contact zone between the Upper (felsic) and Lower Tireo (mafic) 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.

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

Induced Polarization ("IP") geophysical surveys on the Los Candelones, El Corozo and Montazo-Guano areas has outlined excellent chargeability targets over large alteration zones which are believed to represent sulfide 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 six other, large alteration zones, up to 3.0 kilometres in size, containing gold in soil prospects (El Corozo, Cerro Berro, Vara de Vaca, Neita, Montazo-Guano and Candelones) have been under study at different time periods with an exploration emphasis in precious metals.

Unigold's land position in northwestern Dominican Republic

El Corozo Area

In the El Corozo area, geological mapping and prospecting has outlined a 750 metres long by 75 metres 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 high coincident IP chargeability. Immediately to the west, a silicified float rock sample assayed 6.0 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. Adjacent to the silicification, in the valley to the east, a two kilometre oblong target is interpreted by airborne geophysics to be a large hydrothermal alteration zone. A similar 2.5 kilometre long hydrothermal alteration zone is located immediately to the south of the silicification zone and is centred 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 encountered low gold values of 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 metres (in hole SC01). The 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 1 km. Two separate northwest trending regional structures cut the target.

A recent stream sediment sample taken from southeast of the target ran 106 ppb gold…

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 metres (MT02) and 0.42 g/t gold over 22 metres (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 metres. Eight scattered drill holes were completed in 1997 with grades up to 0.44 g/t gold over 16 metres (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 econnaissance rock sample on the western end of the target ran 928 ppb gold. A high IP chargeability 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, northeast 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.

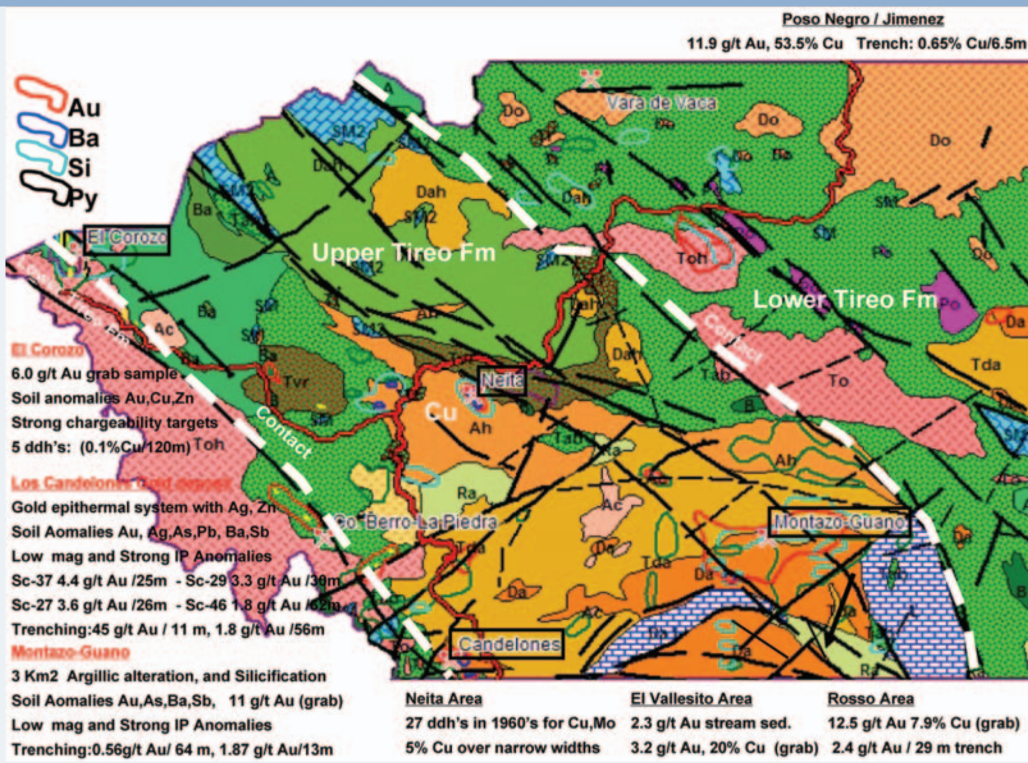
Stream sediment sampling evaluating this target has returned very encouraging values of 0.6 and 0.5 g/t gold. Reconnaissance rock geochemistry along the silicified rocks on the ridge has returned gold values of 0.3, 0.2, 0.2 and 0.1 g/t.

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 kilometre long, northwest trending structure between mafic and felsic volcanic rocks that may represent a major gold-copper system, has been identified on the Neita property. Gold in stream sediments highlight the entire 22 kilometre 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 kilometre and is open at both ends. Limited trenching uncovered a silicified quartz vein and sulfide system which assayed 0.65% copper over 6.7 metres. Nearby float rock samples assayed up to 11.9 g/t gold. About 8 kilometres 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 six kilometres 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 metres in trenching and found float that assayed 7.9% copper in the vicinity. This



22 kilometre strike length of northwest trending structure is a high priority target for both gold and copper mineralization. Rock sampling of a sector of the 22 kilometre long northwest trending structure between Upper and Lower Tireo, located about 1.5 km southeast of Montazo-Guano, returned excellent results with rock samples up to 1.2 g/t gold within a dacite breccia containing 30% barite.

The 2006 - 2007 regional exploration on the Neita concession has also, in addition to the previously known areas, identified seven new areas of gold occurrences:

- **MATEO** showing is exposed over a length of 200 metres, about 5 kilometres NNW of Los Candelones near the road going to the El Corozo mineralized area. A 14.4 g/t gold assay was returned from altered volcanics outcrop, further investigation of that area returned samples with 3.4 g/t gold, .933 g/t gold and .5 g/t gold from a brecciated unit containing 1 to 3% chalcopyrite and vuggy silica stockwork. Seventeen samples were taken in the area with four samples reporting grades higher than 1 g/t and a maximum grade of 7 g/t of gold. The showing is coincident to a portion of a long ridge trending NNW.
- **NOISY** showing is exposed over a length of 300 metres and unknown thickness. Eleven samples were taken from the area with four samples reporting grades higher than 1 g/t gold and with a maximum grade of 6.5 g/t of gold. The showing is located at the summit of a NW trending hill showing few outcrops. Pick and shovel trenching was recently performed to assess its width and grade.
- **FOGON** showing is exposed over a length of 200 metres. Seven samples were taken in the area with two samples reporting higher than 0.5 g/t gold and with a maximum grade of 1.6 g/t of gold.

Properties

PROPERTIES

- **JIMENEZ** showing was discovered by the Company in 2004 extending to the north where grades of up to 14 g/t gold were reported during recent prospecting. The showing forms a narrow NW trending ridge where thin (<0.5m wide) drusy, low-grade quartz veins are seen. High-grade boulders found at the bottom of the ridge suggest the presence of a parallel, overburden covered vein system on the SW flank of the ridge. This showing indicates a potential strike length of up to 1.2 kilometres.
- **NARANJO SW**, new showing, is on the same structural trend as the NARANJO area drilled by BRGM in 1998. Nine samples were taken with three samples reporting grades higher than 1 g/t gold and a maximum grade of 11 g/t of gold.
- **JUAN DEL BOSQUE**, is a new gold zone on the eastern flank of the Montazo-Guano large alteration zone, nine kilometres northeast of the Los Candelones high-sulfidation epithermal gold deposit. This new zone, named Juan del Bosque after the geologist who discovered it, has been traced over a 900 metre strike length. Grab samples taken randomly over half a kilometre in length from outcropping barite-bearing advanced argillic altered rocks graded locally above 22.2 g/t gold (see results). Furthermore, several angular barite-bearing silicified and argillized blocks have been discovered up to 300 metres east from the outcropping zone northeast termination, thus extending the gold-zone possible strike length. A broad gold in soil anomaly overlaps the whole Juan del Bosque zone. Soil samples grading up to 0.6 g/t gold have been encountered.

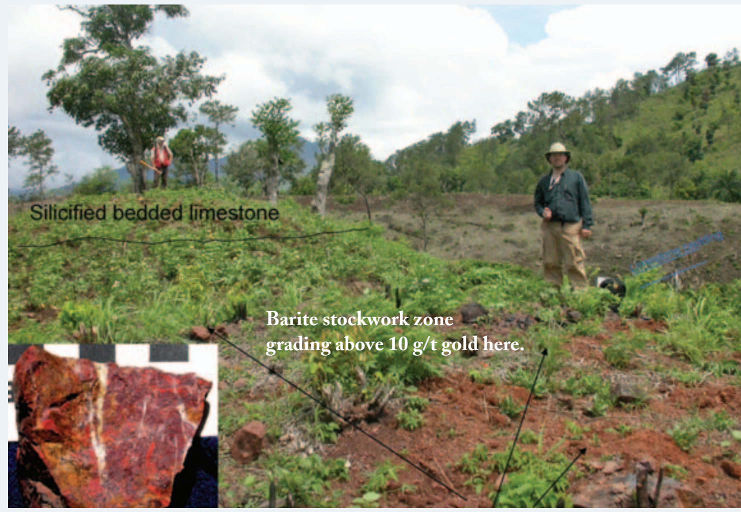
Sample number	g/t Gold	Sample number	g/t Gold
93319	>10	116858	1.32
93320	0.05	116859	8.94
93318	0.01	116860	1.85
5072	1.17	116863	2.20
93321	2.63	116865	1.33
93030	2.39	116866	22.2
93315	.159	116812	1.14
93322	1.31	116815	1.33
93031	.392	116816	1.59
93323	2.26		
93313	1.81		
93314	3.87		
93316	>10		
93029	11		

Juan del Bosque

Juan del Bosque

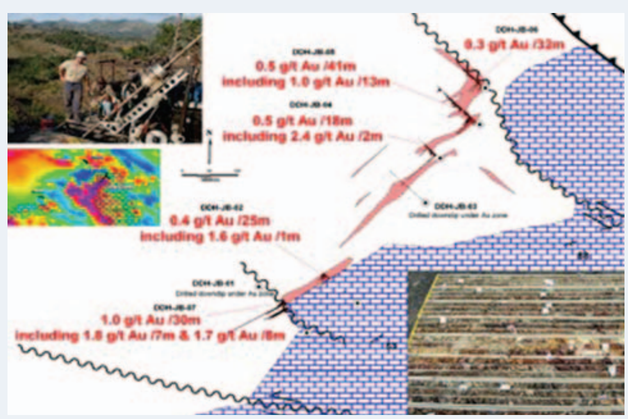
Discovery of the Juan del Bosque zone by Unigold geologists results from follow-up of an exploration model recently published for the Pueblo-Viejo deposit (Sillitoe et al., 2007, Economic Geology, vol. 101, pp. 1427-1435). Pueblo Viejo is a Dominican Republic high-sulfidation epithermal gold (19 million ounces)-silver-zinc deposit occurring in volcano-sedimentary breccia and conglomerate as well as lacustrine carbonaceous siltstone and sandstone. Sillitoe et al. (2007)'s model suggests that a Pueblo Viejo kind of blind high-sulfidation gold deposit may occur beneath barren limestone cover, which is what the Juan del Bosque zone seems to be.

The Juan del Bosque zone occurs at the base of a shallow-water sedimentary sequence which conformably overlies a dacitic tuff sequence. Alteration grades from slightly propylitic to advance argillic in the dacitic tuffs. Gold mineralization occurs on the fringe of a low-magnetic pyrite-bearing advanced argillic zone which is bordered by propylitized magnetite-bearing dacitic tuffs exhibiting positive aeromagnetic features. The overlying sedimentary sequence includes limestones, and non-calcareous sandstone and siltstone. A thin, black, thinly-laminated cherty carbonaceous mudstone has also been observed in this sedimentary pile. Silicified bedded green limestones have been observed resting directly on the southern Juan del Bosque gold-barite showings.



Site of trench JB-07-01 before trenching in June 2007.

Results from the first trenches and drill holes on Juan del Bosque are extremely encouraging. Trench JB-07-01 is showing barite stockwork zone underlying a baritic silicified brick-red zone (jasperoid) grading more than 5 g/t of gold over 5 metres. Trench JB-07-02 is showing a very-hard brick-red highly siliceous rock capping a barite veinlets stockwork zone grading above 1 g/t of gold for 22 metres. Drill hole JB-07-07 is returning 30 metres at 1 g/t gold including two sections totaling 15 metres at 1.8 g/t gold. Holes JB-07-02, 04, 05 and 06 are returning thickness from 25 to 40 metres at .3 to .5 g/t gold.



Los Candelones

LOS CANDELONES

Description and Status

The Los Candelones mineralized zone in the southern part of the Neita property, is 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, 2,090m) for the government as part of an aid package from the European Union. Diamond drilling returned values (hole SC-16) which assayed 1.0 g/t gold from surface to 90 metres with a central zone of 1.54 g/t over 44 metres and (SC-18), a hole 30 metres away, which ran 1.3 g/t gold from surface to 92 metres with a higher grade zone of 1.81 g/t over 44 metres. At the eastern end of the Los Candelones zone, located 300 metres to the southwest, four old drill holes assaying up to 1.6 g/t gold over 38 metres and old trenching assaying up to 1.55 g/t gold over 43 metres.

> In the Los Candelones area, gold mineralization occurs on a hill, is structurally controlled and occurs within north-northwest trending quartz veins

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 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 epithermal system occurs within a stock work associated with chalcopyrite, sphalerite, pyrite, galena, plus minor silver. The gold mineralization occurs within a 1,200 metre by 600 metre gold in soil anomaly and coincident IP chargeability is high which corresponds to sulfide mineralization. Time IP/Resistivity surveys were conducted over the Los Candelones grid in 2004 and 2005. The grid was made up of 23 NS lines at 100 and some interline at 50 metre spacing to cover a total distance of 26.5 kilometres over an area of approximately 2.47 square kilometres. The used array was pole-dipole with up to six potential electrode pairs; the potential electrode separation was 25 metres for the first four electrode pairs and 50 metres for the last two.

The raw data was inverted on March - April 2006 by the Company using the University of British Columbia programs for forward modeling and inversion of DC Resistivity and IP data over 2D structures.

The obtained models showed three E-W zones with high chargeability values (>9mV/V) over 900 metre length and variable width (from 50 to 150 metres), the depth in most of the lines is still undefined or open due to the depth of investigation of the used method (approx. 85 metres, Edwards, 1977). The top of these zones is associated with low conductivity values that correspond to alteration (silicification) zones.

Historical trenching results within the soil anomaly included 0.5 g/t gold over 122 metres (TC41), 1.55 g/t gold over 43 metres (TC36) and 3.0 g/t gold over 24 metres (TC43). Re-sampling a trench, located about 100 metres to the NW of the last known gold mineralization ran 26 g/t gold over 16 metres (TC42).

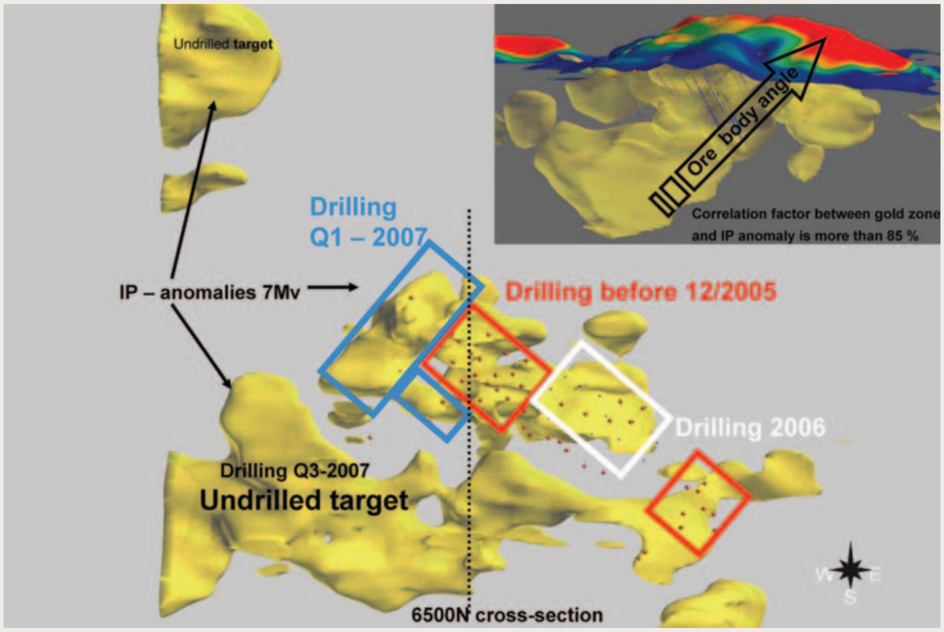
The trenching program on the main Los Candelones hill consisted of digging new trenches and cleaning out and re-sampling old trenches in an effort to develop an oxide resource. Trench TC21 and TC22, oriented in a NE-SW direction, were cleaned out and re-sampled. TC21 assayed 1.5 g/t gold over 29.7 metres and TC22 assayed 1.2 g/t gold over 19.1

metres. A 7.1 metre access road separates the two trenches. This E-W trending along the access road assayed over 1.0 g/t gold over a 200 metre stretch in 36 chip samples each 5 metres in length. A few metres to the SW from TC22 and also oriented NE-SW to the old trench TC23 assayed 1.5 g/t gold over 19 metres. Three drill holes (SC05, SC14, and SC18), occur NE of an adjacent TC21, have intersected oxide gold mineralization of 0.66 g/t gold over 40 metres, 0.62 g/t gold over 14 metres and 0.49 g/t gold over 20 metres respectively.

In 2006, the Company started a trenching program of 5,000 metres on the Los Candelones gold deposit. The trenching targeted the northwest and the south part of Los Candelones hill where the Company has large IP chargeability and low conductivity anomalies in order to extend a zone found in trench TC42 assaying 26.3 g/t over 16 metres and consisting of eight two metre contiguous samples which ran 9.65, 0.61, 13.9, 29.5, 10.0, 124.5, 0.46 and 21.45 g/t gold respectively.

Trenching and Diamond Drilling the Los Candelones Gold Deposit.
58 diamond drill holes into a 1,200 metres by 600 metres coincident gold in soil anomaly and IP chargeability high. Trenching to 26.3 g/t gold over 16 metres. Chip sampling along drill access road in E-W direction ran >1 g/t gold over 200 metres.

In June 2006, the trenching program was followed by a 3,000 metre diamond drilling program and in 2007 a 5,500 metre program. The drilling program was designed to (i) outline and expand the higher grade gold zones, to confirm the mineralization continuity as shown by the IP inversion, (ii) confirm other parallel IP chargeability zones not yet tested by diamond drilling and (iii) to collect sufficient data to warrant independent resource calculations.



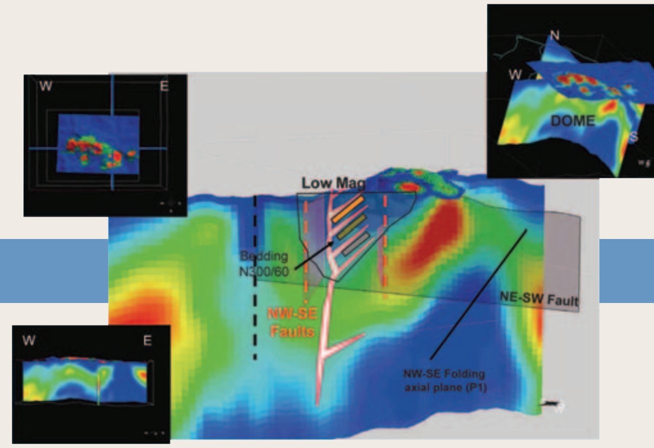
Drilling Los Candelones

LOS CANDELONES

To date, the Los Candelones Gold Deposit has 105 diamond drill holes on the main hill totaling approximately 16,200 metres. Unigold completed 19 diamond drill holes in 2004 and 2005 totaling about 2,600 metres and 14 in 2006 for a total of 2,230 metres. In 2007, Unigold drilled 38 holes for a total of 6,700 metres.

> To date, the Los Candelones Gold Deposit has 105 diamond drill holes totaling approximately 16,200 metres

Gold grades in the diamond drilling starting near surface up to 4.4 g/t gold over 25 metres and 2.2 g/t gold over 61 metres and including 3.1 g/t gold over 31 metres were encountered. The geological correlation between the known intercepts of the gold mineralized zones and the IP chargeability model was completed using all the holes that were drilled on Los Candelones. The results show a high positive correlation between the IP inversion and the gold occurrences. The tested proportion between the drilled and un-drilled parts of the IP inversion shows high probability to significantly improve the known gold resource in the Los Candelones gold deposit.

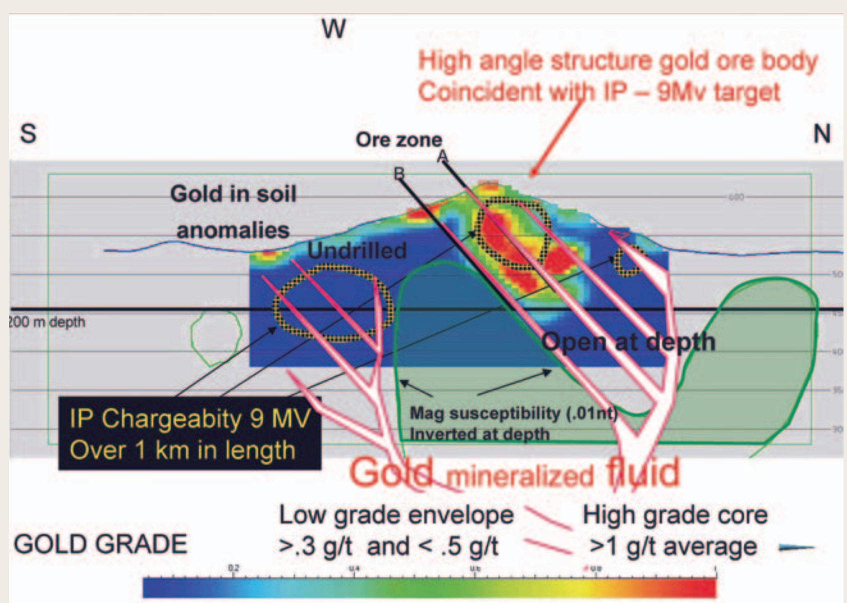


Gold orebody located in low mag

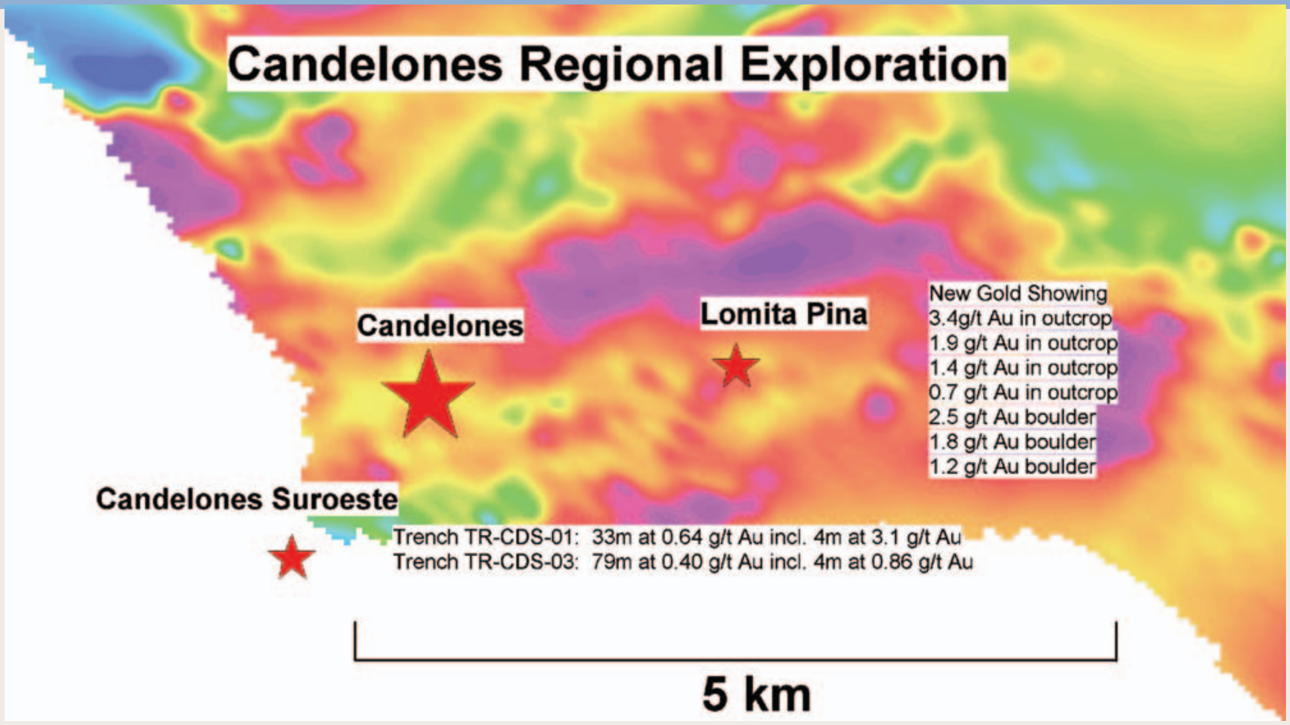
A detailed ground MAG done in 2006 over Los Candelones is showing a low MAG over the known mineralized zone and duplicated to the south, supporting the concept of multiple parallel high chargeability zones. Pueblo Viejo mine is clearly showing a low MAG over the mineralized area.

The 3-D compilation of the data of the tested proportion between the drilled and un-drilled parts of Los Candelones Gold Deposit shows high probability to significantly improve the known gold mineralization.

The new results have allowed Unigold to demonstrate the on-strike and down-dip continuation of the 25 to 30 metre thick gold core of epithermal mineralization which grades from 1.0 to 4.4 g/t gold and is enclosed within an up to 100 metre wide lower grade gold halo over eight cross-sections located 25 metres apart.



Los Candelones Cross-section 6500N
With gold distribution from Gocad 3D modelling



New gold zones at Los Candelones

It is expected that this mineralized zone will be relatively continuous for at least an additional 400 metres to the southeast, with small local fault offsets, and to re-join with the Los Candelones East mineralization. At Los Candelones East, mineralization in trenches assayed better than 1.0 g/t gold over a length of 100 metres and drill hole (SC35) ran 1.5 g/t gold over a length of 48 metres.

> Field study of the Los Candelones system, show high sulfidation signature with vuggy quartz veins…

Drill holes number DC-94 to DC-100 represent a good example of the continuation at depth and along strike of the greater than 1 g/t primary gold zone. The wide gold intercept in hole DC-100 indicates that the mineralized envelope widens and the grade increases at depth from an average of 100 metres at 0.5 g/t gold to 122 metres at 0.7 g/t gold at depth. Highlights include hole DC-97 with 3 metres above 5.5 g/t gold and hole DC-100 with 6 metres of 4.2 g/t gold.

Field study of the Los Candelones system, show a high sulfidation signature with a vuggy quartz veins system associated with pyrite-enargite-barite high grade gold. The system evolves into a gold-bearing stockwork and disseminated zone followed upward by gold-barite veining, a barite breccia zone and is capped by a massive barite zone. An ongoing preliminary study of the alteration halo and associated mineralization using a portable shortwave infrared spectrometer shows two stages of alteration. The second one is associated with the mineralization and is characterized by significant silicification, dickite, kaolinite and alunite within or in close proximity to the orebody. This ongoing study will be used to vector in toward additional gold mineralization.

The existing trenched and diamond drilled mineralized area is a small part of the 1,200 metre long by 600 metre wide gold in soil anomaly and coincident IP chargeability high which represents sulfide mineralization. The Los Candelones Gold Deposit is the most advanced of several very encouraging target areas within the 226 square kilometre Neita property.

Drill Results

DRILL RESULTS

DRILL HOLES

DDH No.	FROM (m)	TO (m)	LENGTH (m)	GRADE (g/t)
DC-60	22	35	12	0.70
DC-61	29	35	6	0.54
	194	202	8	0.51
DC-62	0	22	22	0.50
DC-64	39	42	3	0.62
DC-65	45	89	44	0.62
	60	75	15	1.38
	64	70	6	2.33
DC-66	90	108	18	0.96
	90	100	10	1.24
DC-67	153	181	28	0.50
	156	166	10	1.00
DC-68	46	53	7	1.02
DC-71	6	16	10	.55
DC-72	31	47	16	.51
DC-78	16	33	17	1.04
DC-80	14	36	22	.51
	44	63	19	1.80
DC-81	5	46	41	.51
DC-82	1	19	19	1.3
DC-88	1	27	27	.50
	160	163	3	2.81
DC-89	0	67	67	0.50
	24	41	17	1.00
	36	41	5	1.76
DC-90	0	59	59	0.51
	18	54	36	0.71
Inclusive	3 sections	of	5	1.20
DC-91	0	44	44	0.51
	0	29	29	0.81
Inclusive	3 sections	of	4	1.10
DC-93	0	7	7	0.51
DC-94	0	55	55	0.51
	18	39	21	1.00
	18	33	15	1.20
DC-96	68	143	75	0.66
	93	108	15	1.00
	128	138	10	1.10
DC-97	105	170	65	0.91
	114	134	20	1.72
DC-98	125	228	103	0.80
	135	154	19	1.20
	135	138	3	3.10
	169	222	53	1.00
	204	220	16	2.00
	213	218	5	5.30
DC-100	118	240	122	0.70
	127	189	62	1.10
	127	145	18	2.30
	128	134	6	4.20

TRENCHES

TRENCH No:	LENGTH (m)	GRADE (g/t)
TC-CDS-07-01	33	0.64
inc	4	3.1
TC-CDS-07-03	79	.4
inc	4	.86
	1	2.1

GRAB

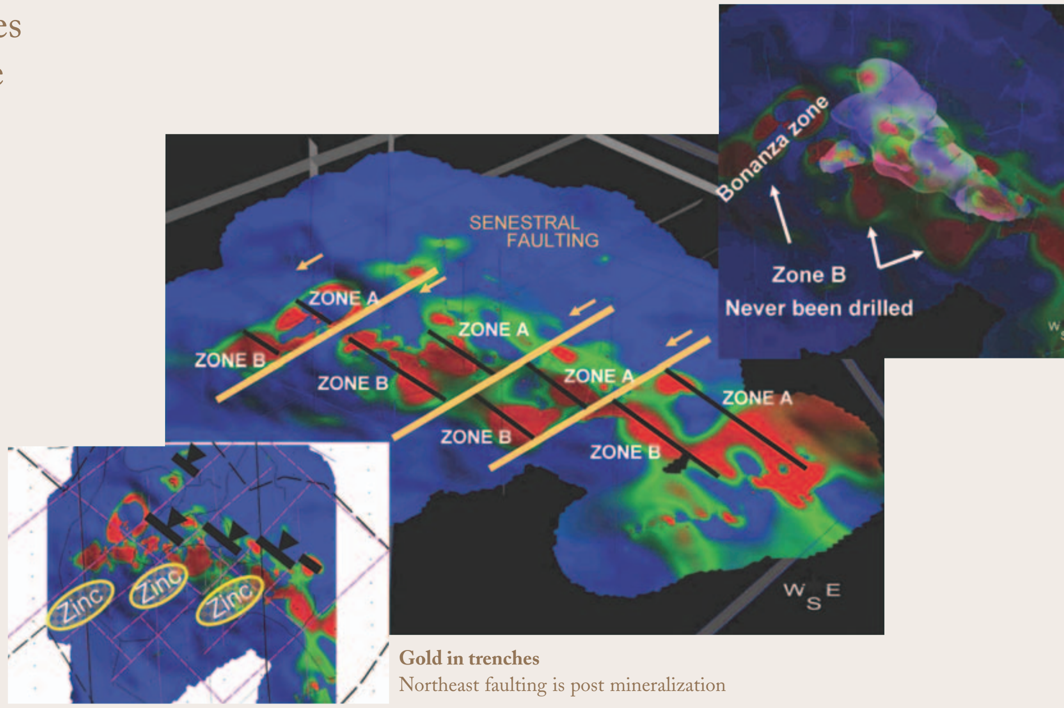
Sample number	*Gold g/t*
116824	4.48
116825	0.58
116828	1.21
65616	0.72
65621	1.01

A new gold zone (Candelones Suroeste) was discovered on the southwestern flank of the Los Candelones high-sulfidation epithermal gold deposit. This new zone has been traced in an eastwest direction over a 1,800 metre strike length by gold in soil anomalies. The peak gold in soil anomaly is 2.9 g/t gold, coincident with Candelones Suroeste. Grab samples taken from outcrops and boulders over several hundred square metres surrounding the 2.9 g/t gold anomaly graded up to 4.5 g/t gold from barite-bearing, argilic-altered rocks (see results).

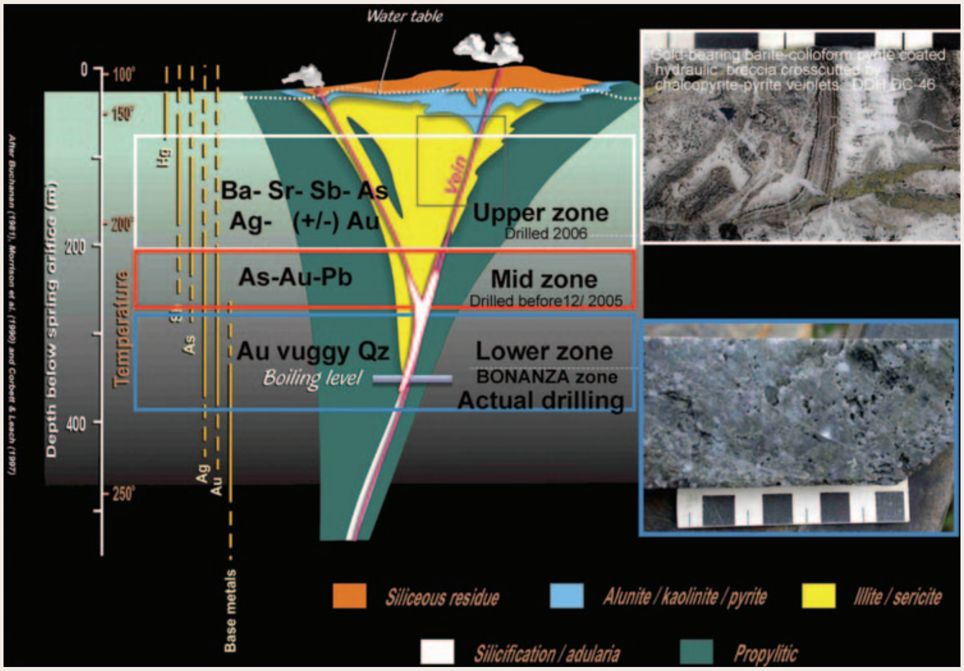
Two perpendicular trenches totaling 261 metres were dug over the showing area to test the gold grades and better understand the geology of the new gold zone. Gold is associated with argilic-altered and silicified dacite with barite veinlets. The trenches indicate that anomalous gold values (>100ppb gold) are present over a 100 metre x 100 metre area. Values are indicated as shown.

Candelones Suroeste is interpreted as an eastwest trending gold zone parallel to the known trend of mineralization on the main Candelones deposit located one kilometre to the northeast. Host rock and style of mineralization on the new discovery are analogous to those on Los Candelones. Furthermore both areas are coincident with low magnetic signatures. Work is progressing to ascertain whether Candelones Suroeste represents the faulted western portion of the main deposit or parallel zone related to the same mineralization event.

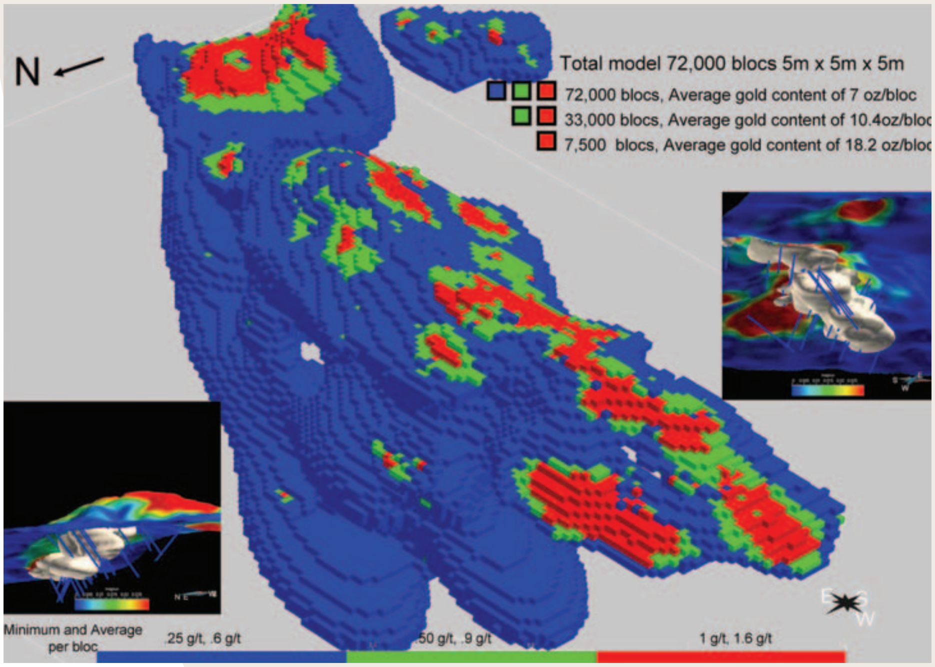
> The Los Candelones Gold Deposit is the most advanced of several very encouraging target areas…



Gold in trenches
Northeast faulting is post mineralization



Los Candelones Epithermal System



3D Geological Gold - Distribution blocs model

A detailed structural survey on Los Candelones is underway. The first preliminary results are confirming the possibility of a dome and basin structure type at Los Candelones. Evidences of a polyphased tectonic regime were seen in the sedimentary units near the area, associated with the barite in soil anomaly and the leached magnetic signature at depth under the actual gold mineralization. This should lead the drilling program to deeper targets in the south east sector of Candelones. Field evidences of an offsetting senestral fault displacing the actual gold resource were found in trenches, on outcrops and in the drilling core.

A field study of the Los Candelones system, conducted in December 2006, shows classic epithermal zoning starting with a vuggy quartz veins system (N270/60) with high grade gold, sometimes referred to as a “Bonanza Zone” (a 1 metre vein was chip sampled (sample 93309) returned 105 g/t gold and (sample 93310) returned 48 g/t gold). The system is evolving into a main gold disseminated zone followed by gold-barite veining zone then into a barite breccia zone and closing the system with a barite cap zone.

Management's Discussion and Analysis

For the Year Ended December 31, 2007

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 25, 2008 and should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2007. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Nature of Operations and Going Concern

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.

The Company has approximately $8.2 million (net of an impairment charge of $2.8 million) invested in asset-backed-commercial paper ("ABCP") in which no active market currently exists and the funds cannot be accessed. See ABCP Impairment Charge section and Note 3 to the audited consolidated financial statements for more details. There is no assurance as to the ultimate full recovery of these funds.

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.

Forward Looking Statements

This Management's Discussion and Analysis, 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

During 2007, $3,566,070 was spent on exploration expenditures on the Neita Property in the Dominican Republic. This brings the inception to date amount spent to $7,412,278. The main focus has been on the Los Candelones Gold Deposit where 105 diamond drill holes totaling approximately 16,200 metres have been completed.

Three new gold zones were discovered during 2007: Juan del Bosque, a zone on the eastern flank of the Montazo-Guano large alteration zone, nine kilometers northeast of the Los Candelones high-sulfidation epithermal gold deposit; and Los Candelones Sureste and Los Candelones Suroeste, two zones approximately one kilometre south of the Los Candelones Gold Deposit.

The Company has also obtained a reconnaissance license for all Minerals and Rocks granted by the Deputy Ministry of Mineral Resources in the Kingdom of Saudi Arabia. This License may include all Locations in the Kingdom. The duration will be for a period of two (2) years and may be renewed for another two years. The license provides for reconnaissance of all Minerals and Rocks except Minerals and Materials excluded by the Mining Investment Code. The License entitles the Company to all the rights in the Mining Investment Code and its Executive Regulations including but not limited to the rights to survey and investigate the area indicated in the license and examine orebodies, collect samples, use geophysical and geochemical methods and other scientific methods and any preliminary examinations of land, with potential mining deposits for the designated duration of the License. During the last 40 years, the Deputy Ministry of Mineral Resources has conducted major reconnaissance/exploration of minerals and rocks in the Kingdom and has a tremendous information data base library on the mineral wealth of the country.

In October 2007, the Company listed its common shares on the Dubai International Financial Exchange (DIFX). With its strong shareholder ties in the Middle East, the Company expects to raise its profile with investors in the DIFX's region.

Exploration Activities

The Company, since February 2006, has been re-assessing and re-evaluating the previous exploration work results obtained from the Neita Concession while continuing with surface exploration. 3-D compilation of the gold assay values from drill holes, trenching & geochemical sampling along with the results by geophysics (IP & Resistivity), has verified the previously obtained results indicated in the pre-feasibility study made by BRGM in 1998. Moreover, the 3-D compilation has also revealed that data of the tested proportion between the drilled and un-drilled parts of Los Candelones Gold Deposit shows high probability to significantly improve the known gold resource. Based on this data compilation, a drilling program started in July 2006 and continued throughout 2007. A total length of 3.2 kilometres of trenching has also been completed, covering an area of almost a square kilometre. The results for the 2007 drilling campaign were press released on October 3, 2007 and on February 13 and February 29, 2008.

To date, the Los Candelones Gold Deposit has had 105 diamond drill holes totaling approximately 16,200 metres which has allowed the Company to now demonstrate the on strike and down dip continuation of the 25 to 30 metre thick gold core of epithermal mineralization which grades from 1.0 to 4.4 g/t gold and which is enclosed within an up to 100 metres wide lower grade gold halo. The existing trenched and diamond drilled mineralized area is a small part of the 1,200 metre long by 600 metre wide gold in soil anomaly and coincident IP chargeability high which represents sulphide mineralization. The Los Candelones Gold Deposit is the most advanced of several very encouraging target areas within the 226 square kilometre Neita property.

Two new gold zones approximately one kilometre south of Candelones were discovered: Los Candelones Sur-Este and Los Candelones Sur-Oeste. These zones show gold and barium soil anomalies comparable in grades to Candelones. This new zone has been traced in an eastwest direction over a 1,800 metre strike length by gold-in-soil anomalies. The peak gold-in-soil anomaly is 2.9 grams per ton gold, coincident with Candelones Suroeste.

Grab samples taken from outcrops and boulders over several hundred square metres surrounding the 2.9 g/t gold anomaly graded up to 4.5 grams per tonne (g/t) gold from barite-bearing, argilic-altered rocks (see results below).

Sample number	Gold g/t
116824	4.48
116825	0.58
116828	1.21
65616	0.72
65621	1.01

Two perpendicular trenches totalling 261 metres were dug over the showing area to test the gold grades and better understand the geology of the new gold zone. Gold is associated with argilic-altered and silicified dacite with barite veinlets. The trenches indicate that anomalous gold values (>100ppb Au) are present over a 100 metre x 100 metre area. Values are indicated below.

Trench ID	Length (m)	Grade (g/t)
TR-CDS-07-01	33	0.64
Including	4	3.1
TR-CDS-07-03	79	0.4
Including	4	0.86
and	1	2.1

Candelones Suroeste is interpreted as an eastwest trending gold zone parallel to the known trend of mineralization on the main Candelones deposit located 1 kilometre to the northeast. Host rock and style of mineralization on the new discovery are analogous to those on Los Candelones. Furthermore both areas are coincident with low magnetic signatures. Work is progressing to ascertain whether Candelones Suroeste represents the faulted western portion of the main deposit or parallel zone related to the same mineralization event.

A prospecting program was also carried out on the Neita Property during the third quarter of 2007. The objective was to define much better the nature and geometry of gold anomalous areas within the property found in 2006 and to evaluate target areas within the property. A total of 1,205 rock samples were taken during this program and sent to the laboratory for assaying. From the general prospecting program a very significant new discovery arose from the area of Montazo-Guano, and the discovery of a new gold zone on the eastern flank of the Montazo-Guano large alteration zone, nine kilometres northeast of the Los Candelones high-sulfidation epithermal gold deposit. This new zone, named Juan del Bosque after the geologist who discovered it, has been traced over a 900 metre strike length. Grab samples taken randomly over half a kilometre in length from outcropping barite-bearing advanced argillic altered rocks graded locally above 10 g/t gold (see results below). Furthermore, several angular barite-bearing silicified and argillized blocks have been discovered up to 300 metres east from the outcropping zone northeast termination, thus extending the gold-zone possible strike length.

Sample number	Gold g/t
93319	>10
93320	0.05
93318	0.01
5072	1.17
93321	2.63
93030	2.39
93315	.159
93322	1.31
93031	.392
93323	2.26
93313	1.81
93314	3.87
93316	>10
93029	11

Discovery of the Juan del Bosque zone by Unigold geologists results from follow-up of an exploration model recently published for the giant Pueblo-Viejo deposit (Sillitoe et al., 2007, Economic Geology, vol. 101, pp. 1427-1435). Pueblo Viejo is a Dominican Republic high-sulfidation epithermal gold (19 million ounces)-silver-zinc deposit occurring in volcano-sedimentary breccia and conglomerate as well as lacustrine carbonaceous siltstone and sandstone. Sillitoe et al. (2007)'s model suggests that a Pueblo Viejo kind of blind high-sulfidation gold deposit may occur beneath barren limestone cover, which is what the Juan del Bosque zone seems to be.

Trenching on the Juan del Bosque zone has been started and more than 1,000 samples were collected and will be followed by drilling and induced polarization survey to trace the gold-bearing zone under the southeast-dipping limestone sequence.

Trench JB-07-01 is showing barite stockwork zone underlying a baritic silicified brick-red zone (jasperoid) grading more then 5 g/t gold over 5 metres. Trench JB-07-02 is showing a very-hard brick-red highly siliceous rock capping a barite veinlets stockwork zone grading above 1 g/t gold for 22 metres. New grab samples have been taken recently outside the known area in order to extend the zone. A sample from the jasperoid unit widely exposed in this outcropping area returned 22.2 g/t gold.

Grab Sample #	Gold g/t
116858	1.32
116859	8.94
116860	1.85
116863	2.2
116865	1.33
116866	22.2
116812	1.14
116815	1.33
116816	1.59

The Company initiated an airborne geophysical survey during 2007 with FUGRO Airborne Surveys Corp. The survey, flown at 200-metre flight gridlines, encompassed approximately 2,600 line kilometres and consisted of magnetic, and electromagnetic survey. The Company has mandated SGS Minerals Services (Lakefield) for an investigation into cyanidation of the Los Candelones ore and to establish the parameters for a possible heap leaching of the oxidized ore of Los Candelones. The final results from these surveys have been received and management is reviewing them.

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:

	2007	2006	2005
Total revenue	$ 193,094	$ 204,186	$ 2,376
Net loss	(3,936,685)	(1,700,592)	(488,138)
Net loss per share - basic and diluted	(0.05)	(0.03)	(0.01)
Total assets	17,103,928	13,047,044	3,389,999
Total liabilities	806,865	162,969	259,013
Shareholders' equity	16,294,232	12,881,244	3,128,155

The higher 2007 and 2006 loss reflects higher levels of activities as in 2005 the Company reduced and/or eliminated most of its overhead costs as a result of insufficient funds. The 2007 loss includes an impairment charge of $2,800,000 on the ABCP's.

The cash receipts from the private placements along with the exercise of the warrants during 2006 and 2007 reflects the higher total assets and shareholders' equity. Higher revenues reflect higher cash balances available to invest in interest bearing deposits.

Results of Operations

For the year ended December 31, 2007, the Company recorded a net loss of $3,936,685, or $0.05 per share, compared with a net loss of $1,700,592, or $0.03 per share, in 2006.

Revenue is limited to interest earned on cash balances and short term investments and amounted to $193,094 for the year, compared to $204,186 for the prior year.

Expenses increased to $4,129,779 in 2007 compared to $1,671,578 recorded in 2006. The 2007 expenses include a provision for an impairment charge in other investments, consisting entirely of asset-backed commercial paper ("ABCP"), of $2,800,000.

Due to the significance of this item on the Company's results of operations and financial condition, additional information with respect to this impairment charge has been reproduced from the notes to the consolidated financial statements, as follows:

ABCP Impairment Charge:

In July 2007, the Company invested CAD$9,983,000 and US$995,630 in asset-backed commercial paper ("ABCP"), rated by the Dominion Bond Rating Service ("DBRS") as R1-High. An R1-High rating, per the DBRS, is of the highest credit quality and indicates an entity possessing unquestionable ability to repay current liabilities as they come due.

Maturity Date	Issuer	Value on Maturity
August 14, 2007	Whitehall Trust	CAD $10,000,000
August 31, 2007	Comet Trust	US $1,000,000

Between August 13 and 15, 2007, various participants in the ABCP market announced that they were experiencing market disruption and as a result were unable to meet their repayment obligations until their liquidity providers were able to fund such a repayment. These notes came due and payable on their respective maturity dates. Neither note was repaid and both notes remain outstanding.

DBRS placed several ABCP issuers "Under Review with Developing Implications" following an announcement on August 16, 2007 that a consortium representing banks, asset providers and major investors had agreed in principle to a long-term proposal and interim agreement regarding ABCP ('the Montreal Proposal"). Under this proposal, the affected ABCP would be converted into term floating rate notes maturing no earlier than the scheduled termination dates on the underlying assets. The Montreal Proposal called for investors to continue to roll their ABCP during the standstill period.

On September 6, 2007, a Pan-Canadian Committee ("the Committee") was formed to oversee the proposed restructuring process of the ABCP. In late September 2007, the Committee stated that it was pursuing an extension of the original standstill period of mid-October 2007. On October 15, 2007, the Committee announced that the standstill period had been extended to December 14, 2007. On December 23, 2007, the Chairman of the Committee announced the framework of the proposed restructuring of 20 of the remaining 21 conduits (the "Framework Agreement") and further extended the standstill agreement until January 31, 2008. The Framework Agreement proposes to (i) replace the existing ABCP subject to the Montreal Proposal by new floating-rate notes with a maturity similar to that of the underlying assets; (ii) pool certain series of Montreal Proposal ABCP which are supported in whole or in part by underlying synthetic assets; (iii) mitigate the margin call obligations of the existing conduits and put in place credit facilities to fund such margin calls if they occur; and (iv) facilitate the establishment of market mechanisms for the new notes to facilitate access to liquidity for holders requiring it.

As a result, there is presently no active market for the ABCP held by the Company and the funds cannot be accessed until such time as the restructuring contemplated by the Montreal Proposal has been completed.

Based on its fair value estimation, the Company has recorded an impairment charge in the amount of $2,800,000 or 26% of the total ABCP investments for the year ended December 31, 2007. The valuation technique used by the Company to estimate the fair value of its investments in ABCP reflects the "cash flow adjustment" approach. The cash flow adjustment approach incorporates uncertainties with respect to the timing of projected cash flows using subjective probabilities assigned by management.

Significant assumptions and estimations used in our valuation model include:

- The ABCP investments will, on restructuring, be pooled with similar assets from other trusts and be replaced with a senior and subordinated floating rate notes.
- The notes will have an 8-year life.
- The senior note is expected to have coupon rate similar to AA rating while the subordinate notes will likely have coupon rate similar to BBB rating.
- Coupon rates for each class of notes will be similar to their assumed grade rating adjusted for margin facility and lack of liquidity. The Company has estimated the rates to be in the range of 4.11% and 4.3%. A 0.5% increase in coupon rate would result in a $299,000 increase in fair value of the ABCP investments.
- Discount rates for each class of notes will be similar to their assumed grade rating adjusted for lack of market information. The Company has estimated a discount factor of 7.25% as the estimated yield requirements by prospective purchasers. A 0.5% increase in a discount rate would result in a $251,000 decrease in fair value of our ABCP investments.

The probability of a successful restructuring is very high (90%) and a 5% increase would result in a $454,000 increase in fair value of our ABCP investments.

Since these investments are currently subject to a standstill agreement, these estimates are not based on observable market prices or rates. In addition, there is no certainty regarding the eventual success of the Montreal Proposal and consequently the timing and amount of any future cash flows may vary materially from current estimates. The ultimate repayment is dependent on the cash generated by the trusts' underlying assets. There can be no assurance that this estimate will be realized or that it will be adequate. Subsequent adjustments, which could be material, may be required in future reporting periods.

The overall general and administrative costs in 2007 reflect a foreign exchange loss during the year of $283,591, as a result of the strengthening of the Canadian dollar versus the U.S. dollar. Also contributing to the higher costs is the listing of the Company shares on the Dubai International Financial Exchange (DIFX), and the increase level of investor relations activities that the Company undertook during 2007.

Quarterly Information

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

		Net Revenues		Net Loss		Net loss per share
December 31, 2007	$	1,403	$	(1,831,088)	$	(0.02)
September 30, 2007	$	41,803	$	(1,586,310)	$	(0.02)
June 30, 2007	$	69,500	$	(359,308)	$	nil
March 31, 2007	$	80,388	$	(159,979)	$	nil
December 31, 2006	$	85,201	$	(1,100,076)	$	(0.02)
September 30, 2006	$	70,991	$	(69,212)	$	nil
June 30, 2006	$	33,135	$	(201,300)	$	nil
March 31, 2006	$	14,859	$	(330,004)	$	(0.01)

The high net loss in the third and fourth quarters of 2007 is mostly due to the impairment charge on the ABCP.

Liquidity and Capital Resources

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 financing.

In July 2007, 9,000,000 warrants at an exercise price of $0.75 each, and 455,760 broker warrants at an exercise price of $0.50 each, were exercised for aggregate gross proceeds to the Company of $6,977,880.

This cash along with cash already in the treasury, based upon professional advice, was invested in asset-backed commercial paper ("ABCP"), rated by the Dominion Bond Rating Service ("DBRS") as R-1-High. Between August 13 and 15, 2007, various participants in the ABCP market announced that they were experiencing market disruption and as a result were unable to meet their repayment obligations until their liquidity providers fund such repayment.

A CAD$10 million and a US$1 million note held by the Company which were due and payable remain outstanding as a result of the inability to complete a rollover on the due date because of a temporary lack of liquidity for asset-backed notes. See discussion entitled "ABCP Impairment Charge" under "Results of Operations".

In October 2007, the Company obtained a $4 million line of credit with a senior Canadian bank, backed by the ABCP, to assist the Company with its working capital requirements. To date the Company has drawn down approximately $1.5 million of this facility. Its expected that the balance of the credit facility available to the Company could be used up by the end of 2008 and therefore the Company will be in need of capital in order to continue its operations. Potential sources of funds would be derived from equity issues.

As at December 31, 2007, the Company had a working capital deficiency of $543,931. Included in this deficiency is a drawdown of $510,000 from the line of credit mentioned above.

Trend Information

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

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

Included in the accounts for the years ended December 31, 2007 and 2006 are payments made to corporations under the control or significant influence of officers and directors as follows:

		2007		2006
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$	141,851	$	216,394
General and administrative expenses paid to a corporation controlled by an officer and director of the Company	$	41,327	$	31,197
Listing and shareholder expenses paid to corporations controlled by directors of the Company		–	$	51,192
Professional fees paid to an officer of the Company	$	43,200	$	30,000
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company	$	194,310	$	141,455

Included in prepaid expenses as at December 31, 2007 is an advance in the net amount of $69,717 (2006 - $100,000) to a corporation controlled by an officer and director of the Company for continuing costs associated with a listing on a foreign stock exchange and business development expenditures, and a travel advance of $20,000 (2006 - $20,000) to an officer and director of the Company. Included in accounts payable and accrued liabilities is $12,178 (2006 - Nil) payable to an officer and director of the Company.

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.

Fourth Quarter

The Company recorded a net loss of $1,831,088, or $0.02 per share, in the fourth quarter of 2007. The loss includes an impairment charge of $1.5 million on the ABCP, along with $174,394 spent on continuing investor relations activities and costs associated with the DIFX listing, and $33,545 foreign exchange loss due to the strengthening Canadian dollar relative to the U.S. dollar.

The Company continued its exploration program on the Neita property in the Dominican Republic. Exploration expenditures of $835,679 were incurred in the quarter.

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 estimates are the valuation of the investment in ABCP and the related impairment charge; the policy of capitalizing exploration costs on its mining properties and the valuation of such properties; stock-based compensation calculation; tax account valuation and property receivable valuation. 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

Effective January 1, 2007, the Company implemented the new CICA Handbook Section 3855 “Financial Instruments - Recognition and Measurement”, Section 3865 “Hedges” and Section 1530 “Comprehensive Income”.

(i) Financial Instruments – Recognition and Measurement

Section 3855 prescribes that all financial assets and financial liabilities be measured at fair value on initial recognition and their subsequent measurement be determined by the classification of each financial asset and liability. Financial assets and financial liabilities held for trading are measured at fair value with the changes in fair value reported in earnings. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading are measured at amortized cost. Available-for-sale financial assets are measured at fair value with changes in fair value reported in other comprehensive income until the financial asset is disposed of, or becomes impaired.

The Company has classified its financial instruments as follows:

Cash and cash equivalents	Held for trading
Sundry receivables	Loans and receivables
Other investments	Available for sale
Accounts payable and accrued liabilities	Other liabilities

The adoption of these standards had no transitional impact on the Company as at January 1, 2007. During the three months ended September 30, 2007, the Company invested in asset-backed commercial paper that it designated as available for sale assets in accordance with Section 3855. As at December 31, 2007, the Company has recorded an other than temporary impairment charge on these assets of $2,800,000 and has reclassified these investments from short-term to long-term. See note 3 to the consolidated financial statements.

(ii) Hedges

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company does not have any hedges.

(iii) Comprehensive Income (Loss)

Section 1530 requires the presentation of a statement of comprehensive income or loss and its components. Comprehensive income or loss includes unrealized gains and losses on available-for-sale investment, gains and losses on certain derivative instruments, and foreign currency gains and losses related to self-sustaining operations, none of which are included in the calculation of net earnings until realized.

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments - Disclosures, and Handbook Section 3863, Financial Instruments - Presentation. These standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on January 1, 2008.

Future accounting changes:

i) Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

ii) Financial Instruments – Disclosures and Presentation

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how a company manages those risks. The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

iii) International Financial Reporting Standards ("IFRS")

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

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. See note 3 to the audited consolidated financial statements.

The carrying amounts for cash and cash equivalents, sundry receivables, accounts payable and accrued liabilities and cheques issued in excess of cash on the balance sheets approximate fair value because of the limited term of these instruments. The fair value of the demand loan approximates carrying value due to the variability of the related interest rate. See note 3 regarding the fair value of other investments.

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.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of common shares of which 85,839,938 common shares are outstanding as of the date of this report.

The Company has 2,435,000 stock options outstanding, with exercise prices ranging from $0.25 to $0.80 with expiry dates from May 7, 2008 to October 2, 2011.

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.

Qualified Person

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

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.

Dr. Ibrahim M. Eitani
President & Chief Executive Officer

Joseph Del Campo
Chief Financial Officer

Auditors' Report

To the Shareholders of Unigold Inc.
(A Development Stage Company)

We have audited the consolidated balance sheets of Unigold Inc. (A Development Stage Company) as at December 31, 2007 and 2006 and the consolidated statements of operations and deficit, comprehensive loss and cash flows for each of the years in the two-year period ended December 31, 2007. 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 audits.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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, 2007 and 2006 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2007 in accordance with Canadian generally accepted accounting principles.

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada

February 18, 2008 except for Note 14 which is as at April 2, 2008

UNIGOLD INC.
(A Development Stage Company)

Consolidated Balance Sheets

(Expressed in Canadian Dollars)

		As at December 31, 2007		As at December 31, 2006
Current assets				
Cash and cash equivalents	$	114,474	$	7,808,720
Sundry receivables		43,695		132,360
Prepaid expenses *(note 9)*		104,765		156,927
		262,934		8,098,007
Other investments *(note 3)*		8,158,718		–
Equipment *(note 4)*		545,424		635,655
Mineral Properties *(note 5)*		624,574		367,174
Deferred exploration costs *(note 5)*		7,412,278		3,846,208
Public listing status		100,000		100,000
	$	17,103,928	$	13,047,044
Current liabilities				
Accounts payable and accrued liabilities *(note 9)*	$	190,622	$	162,969
Cheques issued in excess of cash		106,243		–
Bank loan *(note 6)*		510,000		–
		806,865		162,969
Contingencies *(notes 1, 3, and 12)*				
Non-controlling interest		2,831		2,831
Shareholders' Equity				
Common shares *(note 7(a))*		27,320,166		18,317,786
Share purchase warrants *(note 7(b))*		–		1,627,300
Contributed surplus *(note 7(d))*		1,972,557		1,997,964
Deficit		(12,998,491)		(9,061,806)
		16,294,232		12,881,244
	$	17,103,928	$	13,047,044

See accompanying notes to the consolidated financial statements

Approved on Behalf of the Board:

Dr. Talal A. Alshair
Director

Daniel Danis
Director

UNIGOLD INC.
(A Development Stage Company)

Consolidated Statements of Operations and Deficit

(Expressed in Canadian Dollars)

	Year ended December 31, 2007	December 31, 2006
Revenue		
Interest income	$ **193,094**	$ 204,186
Administrative expenses		
Listing and shareholder information	**433,468**	252,001
Foreign exchange loss	**283,591**	(13,330)
General and administrative expenses	**198,760**	139,158
Management services fees	**144,701**	217,205
Travel and business development	**119,690**	126,517
Professional and consulting fees	**109,921**	79,771
Stock-based compensation	**30,393**	720,800
Interest expense	**1,067**	–
Salaries and wages	–	138,348
Provision for impairment of other investments *(note 3)*	**2,800,000**	–
Amortization	**8,188**	11,108
	4,129,779	1,671,578
(Loss) for the year before the undernoted	**(3,936,685)**	(1,467,392)
Allowance for property receivable *(note 5)*	–	233,200
Net (loss) for the year	**(3,936,685)**	(1,700,592)
Deficit, beginning of year	**(9,061,806)**	(7,361,214)
Deficit, end of year	$ **(12,998,491)**	$ (9,061,806)
Loss per share - Basic and diluted	$ **(0.05)**	$ (0.03)
Weighted average number of shares outstanding	**78,727,267**	63,209,178

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Year ended December 31, 2007	December 31, 2006
Net loss for the year	$ **(3,936,685)**	$ (1,700,592)
Other comprehensive loss	–	–
Comprehensive loss for the year	$ **(3,936,685)**	$ (1,700,592)

See accompanying notes to the consolidated financial statements

UNIGOLD INC.
(A Development Stage Company)

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended December 31, 2007	December 31, 2006
Cash flows from operating activities		
Net loss for the year	$ (3,936,685)	$ (1,700,592)
Add items not requiring cash:		
Amortization	8,188	11,108
Write off property receivable *(note 5)*	–	233,200
Provision for impairment of other investments *(note 3)*	2,800,000	–
Stock-based compensation	30,393	720,800
	(1,098,104)	(735,484)
Net changes in non-cash working capital balances *(note 10)*	198,015	(338,771)
	(900,089)	(1,074,255)
Cash flows from financing activities		
Private placements, net of costs	–	8,319,281
Bank loan	510,000	–
Exercise of stock options	84,000	91,100
Exercise of broker warrants	227,880	240,000
Exercise of share purchase warrants	6,750,000	2,082,500
	7,571,880	10,732,881
Cash flows from investing activities		
Deferred exploration costs	(3,330,851)	(1,387,415)
Acquisition of equipment	(76,468)	(526,650)
Purchase of investments *(note 3)*	(10,958,718)	–
	(14,366,037)	(1,914,065)
(Decrease) increase in cash and cash equivalents	(7,694,246)	7,744,561
Cash and cash equivalents, beginning of year	7,808,720	64,159
Cash and cash equivalents, end of year	$ 114,474	$ 7,808,720
Cash and cash equivalents consist of:		
Cash	$ 114,474	$ 484,053
Cash equivalents	–	7,324,667
	$ 114,474	$ 7,808,720
Supplemental Information		
Income taxes paid	$ –	$ –
Interest paid	1,067	–

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Unigold Inc. (the "Company") is a development stage company, as defined by the Canadian Institute of Chartered Accountants Accounting Guideline 11, 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 its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements.

The Company has approximately $8.2 million (net of an impairment charge of $2.8 million) invested in asset-backed-commercial paper ("ABCP") in which no active market currently exists and the funds cannot be accessed. See Note 3. There is no assurance as to the ultimate full recovery of these funds.

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 or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. 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 Costs:

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 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. An impairment loss is recognized when the carrying amount of the mineral properties is not recoverable and exceeds its fair value. 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.

Asset Retirement Obligations:

The Company will 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 is amortized over the useful life of the properties. The Company does not believe that it currently has any legal obligations relating to the reclamation of its mineral properties.

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 reporting period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation, warrants, property receivable, impairment provisions and tax accounts. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Stock-Based Compensation:

The Company has adopted the CICA Handbook Section 3870 which required the Company to follow the fair value method of accounting for all stock-based compensation arrangements. The fair value of each option granted during the period is accounted for in operations over the vesting period of the option using the Black-Scholes option pricing model on the date of the grant, with the related increase to contributed surplus.

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 2002 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and short term deposits with original maturities of three months or less. The deposits are held in a Canadian chartered bank or a financial institution controlled by a Canadian chartered bank.

Change in Accounting Policies:

Effective January 1, 2007, the Company implemented the new CICA Handbook Section 3855 "Financial Instruments - Recognition and Measurement", Section 3865 "Hedges" and Section 1530 "Comprehensive Income".

(i) Financial Instruments – Recognition and Measurement

Section 3855 prescribes that all financial assets and financial liabilities be measured at fair value on initial recognition and their subsequent measurement be determined by the classification of each financial asset and liability. Financial assets and financial liabilities held for trading are measured at fair value with the changes in fair value reported in earnings. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading are measured at amortized cost. Available-for-sale financial assets are measured at fair value with changes in fair value reported in other comprehensive income until the financial asset is disposed of, or becomes impaired.

The Company has classified its financial instruments as follows:

Cash and cash equivalents	Held for trading
Sundry receivables	Loans and receivables
Other investments	Available for sale
Accounts payable and accrued liabilities	Other liabilities

The adoption of these standards had no transitional impact on the Company as at January 1, 2007. During the year ended December 31, 2007, the Company invested in asset-backed commercial paper that it designated as available for sale assets in accordance with Section 3855. As at December 31, 2007, the Company has recorded an other than temporary impairment charge on these assets of $2,800,000 and has reclassified these investments from short-term to long-term. See note 3.

(ii) Hedges

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company does not have any hedges.

(iii) Comprehensive Income (Loss)

Section 1530 requires the presentation of a statement of comprehensive income or loss and its components. Comprehensive income or loss includes unrealized gains and losses on available-for-sale investment, gains and losses on certain derivative instruments, and foreign currency gains and losses related to self-sustaining operations, none of which are included in the calculation of net earnings until realized.

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments - Disclosures, and Handbook Section 3863, Financial Instruments - Presentation. These standards are effective for interim and annual consolidated financial statements for the Company's reporting period beginning on January 1, 2008.

Future accounting changes:

i) Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

ii) Financial Instruments – Disclosures and Presentation

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how a company manages those risks. The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

iii) International Financial Reporting Standards ("IFRS")

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

3. Other Investments

In July 2007, the Company invested CAD$9,983,000 and US$995,630 in asset-backed commercial paper ("ABCP"), rated by the Dominion Bond Rating Service ("DBRS") as R1-High. An R1-High rating, per the DBRS, is of the highest credit quality and indicates an entity possessing unquestionable ability to repay current liabilities as they come due.

Maturity Date	Issuer	Value on Maturity
August 14, 2007	Whitehall Trust	CAD $10,000,000
August 31, 2007	Comet Trust	US $1,000,000

Between August 13 and 15, 2007, various participants in the ABCP market announced that they were experiencing market disruption and as a result were unable to meet their repayment obligations until their liquidity providers were able to fund such a repayment. These notes came due and payable on their respective maturity dates. Neither note was repaid and both notes remain outstanding.

DBRS placed several ABCP issuers “Under Review with Developing Implications” following an announcement on August 16, 2007 that a consortium representing banks, asset providers and major investors had agreed in principle to a long-term proposal and interim agreement regarding ABCP (‘the Montreal Proposal”). Under this proposal, the affected ABCP would be converted into term floating rate notes maturing no earlier than the scheduled termination dates on the underlying assets. The Montreal Proposal called for investors to continue to roll over their ABCP during the standstill period.

On September 6, 2007, a Pan Canadian Committee (“the Committee”) was formed to oversee the proposed restructuring process of the ABCP. In late September 2007, the Committee stated that it was pursuing an extension of the original standstill period of mid-October 2007. On October 15, 2007, the Committee announced that the standstill period had been extended to December 14, 2007. On December 23, 2007, the Chairman of the Committee announced the framework of the proposed restructuring of 20 of the remaining 21 conduits (the “Framework Agreement”) and further extended the standstill agreement until January 31, 2008. The Framework Agreement proposes to (i) replace the existing ABCP subject to the Montreal Proposal by new floating-rate notes with a maturity similar to that of the underlying assets; (ii) pool certain series of Montreal Proposal ABCP which are supported in whole or in part by underlying synthetic assets; (iii) mitigate the margin call obligations of the existing conduits and put in place credit facilities to fund such margin calls if they occur; and (iv) facilitate the establishment of market mechanisms for the new notes to facilitate access to liquidity for holders requiring it.

As a result, there is presently no active market for the ABCP held by the Company and the funds cannot be accessed until such time as the restructuring contemplated by the Montreal Proposal has been completed.

Based on its fair value estimation, the Company has recorded an impairment charge in the amount of $2,800,000 or 26% of the total ABCP investments for the year ended December 31, 2007. The valuation technique used by the Company to estimate the fair value of its investments in ABCP reflects the “cash flow adjustment” approach. The cash flow adjustment approach incorporates uncertainties with respect to the timing of projected cash flows using subjective probabilities assigned by management.

Significant assumptions and estimations used in our valuation model include::

- The ABCP investments will, on restructuring, be pooled with similar assets from other trusts and be replaced with a senior and subordinated floating rate notes.
- The notes will have an 8-year life.
- The senior note is expected to have coupon rate similar to AA rating while the subordinate notes will likely have coupon rate similar to BBB rating.
- Coupon rates for each class of notes will be similar to their assumed grade rating adjusted for margin facility and lack of liquidity. The Company has estimated the rates to be in the range of 4.11% and 4.3%. A 0.5% increase in coupon rate would result in a $299,000 increase in fair value of the ABCP investments.
- Discount rates for each class of notes will be similar to their assumed grade rating adjusted for lack of market information. The Company has estimated a discount factor of 7.25% as the estimated yield requirements by prospective purchasers. A 0.5% increase in discount rate would result in a $251,000 decrease in fair value of our ABCP investments.

The probability of a successful restructuring is very high (90%) and a 5% increase would result in a $454,000 increase in fair value of our ABCP investments.

Since these investments are currently subject to a standstill agreement these estimates are not based on observable market prices or rates. In addition, there is no certainty regarding the eventual success of the Montreal Proposal and consequently the timing and amount of any future cash flows may vary materially from current estimates. The ultimate repayment is dependent on the cash generated by the trusts' underlying assets. There can be no assurance that this estimate will be realized or that it will be adequate. Subsequent adjustments, which could be material, may be required in future reporting periods.

4. Equipment

	As at December 31, 2007			As at December 31, 2006		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Office furniture and equipment	$ 20,618	$ 7,423	$ 13,195	$ 20,618	$ 4,124	$ 16,494
Computer equipment	41,080	28,661	12,419	41,080	23,338	17,742
Vehicles	103,149	59,309	43,840	100,805	40,519	60,286
Field equipment	701,632	225,662	475,970	647,802	106,669	541,133
	$ 866,479	$ 321,055	$ 545,424	$ 810,305	$ 174,650	$ 635,655

5. Mineral Properties and Deferred Exploration Costs

Mineral properties and deferred exploration costs consist of the following:

	Balance, December 31, 2005	Additions	Balance, December 31, 2006	Additions	Balance, December 31, 2007
Mineral properties					
Neita	$ 283,747	$ –	$ 283,747	$ –	$ 283,747
Los Guandules	83,427	–	83,427	257,400	340,827
	$ 367,174	$ –	$ 367,174	$ 257,400	$ 624,574
Deferred exploration costs					
Neita	$ 2,439,876	$ 1,406,332	$ 3,846,208	$ 3,566,070	$ 7,412,278
Los Guandules	–	–	–	–	–
	$ 2,439,876	$ 1,406,332	$ 3,846,208	$ 3,566,070	$ 7,412,278
Total	$ 2,807,050	$ 1,406,332	$ 4,213,382	$ 3,823,470	$ 8,036,852

Neita Property

Pursuant to the July 2002 Neita Exploration Contract between the Company and the Dominican Republic government, the Company was granted 100% of the exploration rights for gold, silver, zinc, copper and all associated minerals on the Neita Property in northwestern Dominican Republic, as well as a sole and exclusive option for the commercial mining of the mineral deposits. Payments totaling US$150,000 have been made to the Dominican Republic government for the Neita Property. In 2006, the regulatory authorities in the Dominican Republic granted the Neita Property the exploration concession status. The 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.

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 (issued), the Company has been 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.

Sabaneta Property

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, in 2004, the Company sold its mineral rights in respect of the Sabaneta property to two separate Dominican companies, Inversiones Mineras Sabaneta, S.A. and Inversiones Mineras Aldajo, S.A. for total consideration to consist of US$200,000 in aggregate. The Canadian dollar equivalent of $233,200 was previously reflected as property receivable on the balance sheet. At December 31, 2006, there was uncertainty regarding the collectibility of this amount and therefore the amount was fully allowed for.

6. Bank Loan

The Company has obtained from a senior Canadian bank (the "Bank") a revolving credit facility up to an amount not exceeding $4,000,000, in Canadian dollars or the equivalent thereof in U.S. dollars, by way of floating rate advances, to be used to finance the Company's working capital needs. Advances bear interest at the Canadian prime rate less 1% per annum and are due on demand.

To secure the repayment of advances made under this credit facility, the Company has granted in favour of the Bank a first-ranking hypothecation of the ABCP (described in note 3) plus an additional hypothec in the amount of $2,200,000.

As at December 31, 2007, the Company has drawn down $510,000 of this credit facility and has paid $1,067 in interest.

7. Share Capital

(a) Common Shares

Authorized - unlimited number of common shares without par value
Issued - 85,814,938 common shares

Transactions during the years ended December 31, 2007 and 2006 are as follows:

	Number of Shares	Amount
Balance, December 31, 2005	35,093,965	$ 8,550,122
Shares Issued:		
Private placement (i)	4,444,443	1,000,000
Private placement (ii)	20,180,770	3,228,923
Private placement (iii)	9,000,000	3,005,900
Stock options exercised	260,000	91,100
Stock options exercised -option valuation	–	114,250
Share purchase warrants exercised	5,950,000	2,082,500
Broker compensation options exercised	800,000	240,000
Broker compensation options exercised - valuation	–	52,000
Share purchase warrants exercised- warrant valuation	–	495,833
Broker warrants issued as share issue costs (iii)	–	(133,200)
Share issue costs	–	(409,642)
Balance, December 31, 2006	75,729,178	$ 18,317,786
Shares Issued:		
Los Guandules option agreement	330,000	257,400
Share purchase warrants exercised	9,000,000	6,750,000
Share purchase warrants exercised - valuation	–	1,494,100
Broker compensation warrants exercised	455,760	227,880
Broker compensation warrants exercised - valuation	–	133,200
Stock options exercised	300,000	84,000
Stock options exercised - valuation	–	55,800
Balance, December 31, 2007	**85,814,938**	**$ 27,320,166**

(i) In January 2006, the Company completed a non-brokered private placement of 4,444,443 common shares of the Company at a price of $0.225 per common share for aggregate gross proceeds of approximately $1,000,000.

(ii) In February 2006, the Company completed a non-brokered private placement of 20,180,770 common shares of the Company at a price of $0.16 per common share for aggregate gross proceeds of $3,228,923 to Shairco. A finders fee of 5% of the gross proceeds was paid on the private placement.

(iii) On July 11, 2006, the Company closed a non-brokered private placement (the "Private Placement") of 9,000,000 units of the Company ("Units") at a price of $0.50 per Unit for aggregate gross proceeds of $4,500,000. Each Unit consists of one common share of the Company (a "Common Share") and one warrant (a "Warrant"), with each Warrant entitling the holder thereof to purchase one Common Share at any time for a period of 12 months following the date of the closing of the Private Placement at a price of $0.75. The agents were collectively paid a cash commission of $170,910 and were issued 455,760 compensation warrants, with each warrant entitling the holder thereof to purchase one Common Share at any time for a period of 12 months following the date of the closing of the Private Placement

at a price of $0.50 and valued at $133,200. All of the securities issued in connection with the Private Placement are subject to a four-month hold period. The gross proceeds have been prorated to Common Shares and Warrants based on the relative fair value of each component, as follows: Common Shares - $3,005,900; Warrants - $1,494,100. The Black-Scholes option pricing model was used to determine the fair market value of the Warrants and compensation warrants using the following assumptions: expected dividend yield: 0%; expected volatility: 160%; risk-free interest rate: 4.24%; and an expected life of one year.

(b) Share Purchase Warrants

As at December 31, 2007, there are no share purchase warrants outstanding.

A summary of share purchase warrants outstanding and changes during the years ended December 31, 2007 and 2006 is presented below:

	December 31, 2007			December 31, 2006		
	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	9,455,760	$ 0.74	$ 1,627,300	5,950,000	$ 0.35	$ 495,833
Issued	–	–	–	9,455,760	0.74	1,627,300
Exercised	(9,455,760)	0.74	(1,627,300)	(5,950,000)	0.35	(495,833)
Balance, end of year	–	–	–	9,455,760	$ 0.74	$ 1,627,300

(c) Stock-based Compensation

Stock option plan

The Company has a stock option plan (the "Plan"), the purpose of which is to attract, retain and motivate management, staff and consultants by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The maximum number of options to be issued under the plan shall not exceed 10% of the total number of common shares issued and outstanding. The options are non-transferable and may be granted for a term not exceeding 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 Stock Option Plan as at December 31, 2007 and 2006 and changes during the years then ended is presented below:

	December 31, 2007		December 31, 2006	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of year	3,835,000	$ 0.66	2,415,000	$ 0.50
Granted	–	–	1,850,000	$ 0.80
Exercised	(300,000)	0.28	(260,000)	$ 0.35
Cancelled / Expired	(455,000)	0.72	(170,000)	$ 0.48
Outstanding, end of year	3,080,000	$ 0.69	3,835,000	$ 0.66

As at December 31, 2007, the Company had stock options issued to directors, officers, employees and consultants of the Company as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
520,000	520,000	$ 0.75	February 13, 2008*
50,000	50,000	$ 0.33	May 7, 2008
140,000	140,000	$ 0.40	August 21, 2008
180,000	180,000	$ 0.48	October 9, 2008
340,000	340,000	$ 0.25	November 10, 2009
1,850,000	1,850,000	$ 0.80	October 2, 2011
3,080,000	3,080,000		

* expired subsequent to year end.

(d) Contributed Surplus

A summary of contributed surplus activity during the years ended December 31, 2007 and 2006 is presented below:

	December 31, 2007	December 31, 2006
Balance, beginning of year	$ 1,997,964	$ 1,443,414
Stock-based compensation	30,393	720,800
Stock options exercised	(55,800)	(114,250)
Broker compensation options exercised	–	(52,000)
Balance, end of year	$ 1,972,557	$ 1,997,964

8. 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% (2006 - 36%) were as follows:

	December 31, 2007	December 31, 2006
Loss before income taxes:	$ (3,936,685)	$ (1,700,592)
Expected income tax (recovery)	(1,417,000)	(612,000)
Increase (decrease) resulting from:		
Stock-based compensation	11,000	259,000
Impairment of long-term investment	504,000	–
Write off of property receivable	–	84,000
Share issue costs	–	(147,000)
Losses expiring	102,000	156,000
Change in tax rates	676,000	–
Other	(37,000)	(3,000)
Change in valuation allowance	(161,000)	263,000
	$ –	$ –

(b) Future Income Tax Balances

The tax effects of temporary differences that give rise to future income tax assets at December 31, 2007 and 2006 are as follows:

	December 31, 2007	December 31, 2006
Future income tax assets - long-term portion:		
Resource properties	$ 101,000	$ 962,000
Non-capital losses	1,995,000	1,971,000
Equipment	776,000	78,000
Share issue costs	86,000	192,000
Other investments	406,000	–
Valuation allowance	(3,364,000)	(3,203,000)
	$ –	$ –

The Company has approximately $888,000 (2006 - $888,000) and $1,795,000 (2006 - $1,795,000) of Canadian development expenses and Canadian exploration expenditures, respectively, and $1,429,000 (2006- $1,172,000) of foreign exploration expenditures as at December 31, 2007 which, under certain circumstances, may be utilized to reduce taxable income of future years. As at December 31, 2007, the Company had available for deduction against future taxable income, non-capital losses in Canada of approximately $6,501,000 (2006 - $5,475,000) which expire as follows:

Year of Expiry	Amount
2008	$ 639,000
2009	690,000
2010	1,284,000
2014	1,002,000
2015	618,000
2026	959,000
2027	1,309,000
	$ 6,501,000

9. Related Party Contractual Obligations and Transactions

Included in the accounts for the years ended December 31, 2007 and 2006 are payments made to corporations under the control or significant influence of officers and directors of the Company as follows:

		2007		2006
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$	141,851	$	216,394
General and administrative expenses paid to a corporation controlled by an officer and director of the Company		41,327		31,197
Listing and shareholder expenses paid to corporations controlled by directors of the Company		–		51,192
Professional fees paid to an officer of the Company		43,200		30,000
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company		194,310		141,455

Included in prepaid expenses as at December 31, 2007 is an advance in the net amount of $69,717 (2006 - $100,000) to a corporation controlled by an officer and director of the Company for continuing costs associated with a listing on a foreign stock exchange and business development expenditures, and a travel advance of $20,000 (2006 - $20,000) to an officer and director of the Company. Included in accounts payable and accrued liabilities is $12,178 (2006 - $Nil) payable to an officer and director of the Company.

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.

10. Consolidated Statements of Cash Flows

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

		2007		2006
Sundry receivables	$	88,665	$	(110,393)
Prepaid expenses		52,162		(145,133)
Accounts payable and accrued liabilities		(49,055)		(83,245)
Cheques issued in excess of cash		106,243		–
	$	198,015	$	(338,771)

11. 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. See note 3.

The carrying amounts for cash and cash equivalents, sundry receivables and accounts payable and accrued liabilities and cheques issued in excess of cash on the balance sheets approximate fair value because of the limited term of these instruments. The fair value of the demand loan approximates carrying value due to the variability of the related interest rate. See note 3 regarding the fair value of other investments.

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.

12. Commitments, Contingencies and Contractual Obligations

The Company is a party to certain management contracts. These contracts contain clauses requiring that US$63,000 and $54,000 be paid upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated Financial Statements.

The Company is committed to minimum rental payments under a lease for premises, which expire February 28, 2008. Minimum rental commitments under the lease are $5,200 due within one year.

13. Segmented Information

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

	2007			2006		
	Canada	Dominican Republic	Total	Canada	Dominican Republic	Total
Assets	$ 11,946,982	$ 6,656,946	$ 18,603,928	$ 8,150,804	$ 4,896,240	$ 13,047,044
Liabilities	646,250	163,446	809,696	124,019	38,950	162,969
Interest income	192,799	295	193,094	203,218	968	204,186
Administrative expenses	2,605,961	23,818	2,629,779	1,653,724	17,854	1,671,578

14. Subsequent Events

(a) Subsequent to December 31, 2007, the Company has drawn down an additional $950,000 from its credit facility with the Bank. (See note 6).

(b) See Note 7(c).

(c) On March 17, 2008 the Pan-Canadian Investors Committee for Third-Party Structured ABCP announced it has filed an application in the Ontario Supreme Court of Justice under the Companies' Creditors Arrangement Act asking the Court to call a meeting of ABCP note holders to vote on the Committee's Plan to restructure the 20 trusts covered by the Montreal Accord. The Plan was accepted by the court and a note holders meeting will be held on April 25, 2008 to vote on the Plan.

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Corporate Information

Directors

Dr. Talal A. Alshair
Chairman

Jose Acero*

Daniel Danis*

Joseph Del Campo*

Dr. Ibrahim M. Eitani, Ph.D

Edmond Saadah

* Member of the Audit Committee

Officers

Dr. Ibrahim M. Eitani, Ph.D**
President and
Chief Executive Officer

Joseph Del Campo, CMA
Chief Financial Officer

Daniel Danis, M.SC.**
Chief Operating Officer, and
Vice President, Exploration

** Dr. Ibrahim M. Eitani has resigned as President and CEO effective June 1, 2008. Mr. Daniel Danis has been appointed the new President and CEO effective the same date.

Stock Listing

TSX Venture Exchange,
Tier 2 company
Trading Symbol **"UGD"**

Auditors

McGovern, Hurley, Cunningham, LLP
Toronto, Ontario

Legal Counsel

Fraser Milner Casgrain LLP
Toronto, Ontario

Garcia Campos & Asociados
Santo Domingo, Dominican Republic

Registrar & Transfer Agent

Computershare Trust Company of Canada
Toronto, Ontario

Bankers

National Bank of Canada
Toronto, Ontario

Operations Office

2115 Des Laurentides
Suite 200,
Laval, Quebec
Canada H7M 4M2

Telephone: (450) 667-4766
Facsimile: (450) 667-2027

Email: unigoldinc@unigoldinc.com

Registered Office

1 First Canadian Place
100 King Street West
Toronto, Ontario
Canada M5X 1B2

Annual Meeting

The Annual Meeting of Shareholders will be held at 10:00 am, on Wednesday, June 25, 2008 at the Toronto Board of Trade, 1 First Canadian Place, 3rd Floor, Ketchum/Osgoode Room, Toronto, Ontario, Canada

Investor Relations

Website: www.unigoldinc.com

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