UNIGOLD

"Committed to our vision
and the continued advancement
of our exploration strategies"

2008
Annual Report

CORPORATE PROFILE

OUR GEOGRAPHICAL FOCUS

Dominican Republic:
Unigold is actively exploring several targets on its Neita Property in the western region of the Dominican Republic:

1. Los Candelones Deposit and New extensions
2. Montazo-Guano
3. Juan del Bosque
4. Noisy

Saudi Arabia:
Unigold obtained a reconnaissance license in the Kingdom of Saudi Arabia and is actively pursuing evaluations in the Middle East.

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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

2008 TECHNICAL ACHIEVEMENTS

- Gold epithermal model applied to Los Candelones lead to high grade zone discovery
- Completion of alteration mineral analysis and modeling of the Los Candelones deposit using ASD spectrometry. Over 20,000 metres of drill core were analyzed and used for the model. All sections have been updated
- More than 5,000 metres of drilling completed on the Los Candelones deposit
- Over 6,000 metres of trenching completed on the Neita property to date
- Significant new discoveries on the Neita property including:

Noisy:	1.03 g/t gold over 76 metres including 4.9 g/t gold over 9 metres in trenching;
Lomita Piña:	2.9 g/t gold over 24 metres including 4.9 g/t gold over 12 metres in trenching;
Jimenez-Pozo Negro:	Cu-Au porphyry target with grab samples up to 14 g/t gold and 10% Cu + 0.6 g/t gold;

- Montazo-Guano: Large high temperature argillic alteration footprint with grab samples assaying up to 40 g/t gold
- 100+ line kilometres of ground magnetic survey completed

LOOKING AHEAD: 1-YEAR PLAN

Unigold's strategy is to target bulk tonnage, open-pittable, oxide gold deposits with a goal to finding a deposit equivalent in size to the world class Pueblo Viejo Gold Mine in the Dominican Republic

- The next round of drilling on Los Candelones is designed to outline higher grade zones, confirm the mineralization continuity in the sulphide zones as shown by the IP and to define the easily accessible 15-30 metre thick oxide cap
- Unigold will also drill test several of the new showings discovered on the Neita Property
- Unigold will continue to expand the reach of the field exploration programs on its extensive Dominican properties. Exploration upside remains very strong with certain remote regions remaining largely untouched
- With Unigold's reconnaissance license in the Kingdom of Saudi Arabia, the Company is actively pursuing evaluations in the Middle East and is committed to developing a strong asset base and/or partnership in the region

CHAIRMAN'S MESSAGE

Dear valued Shareholders,

In the year 2008, the world was engulfed in an unprecedented financial meltdown sparked by the dilemmas of the Asset-Backed Commercial Papers resulting in the demise of credit facilities. The junior exploration companies were hit hard by the unavailability of funding for their exploration programs. However, Unigold has been able to overcome such hardships.

Meanwhile, Unigold has strived to support its strategic exploration plans. The Company was able to sustain the implementation of its work programs in its concession area and also continue the efforts for diversification by way of evaluating potential economically viable projects and ventures.

During the year, Unigold achieved significant progress and results from its exploration program in its 1,000 square kilometres concession area in the Dominican Republic. Exploration work was advanced on the most developed area, Los Candelones; where new discoveries were made thus enlarging our new targets' portfolio.

Unigold is looking forward to the year 2009 to pursue the newly discovered targets thus providing newer opportunities for additional discoveries and increasing its over-all gold resources.

Unigold will maintain its focus on future growth strategies and diversification worldwide. The Company has a reconnaissance license in the Kingdom of Saudi Arabia and is actively involved in reviewing all available geologic data for several potential targets.

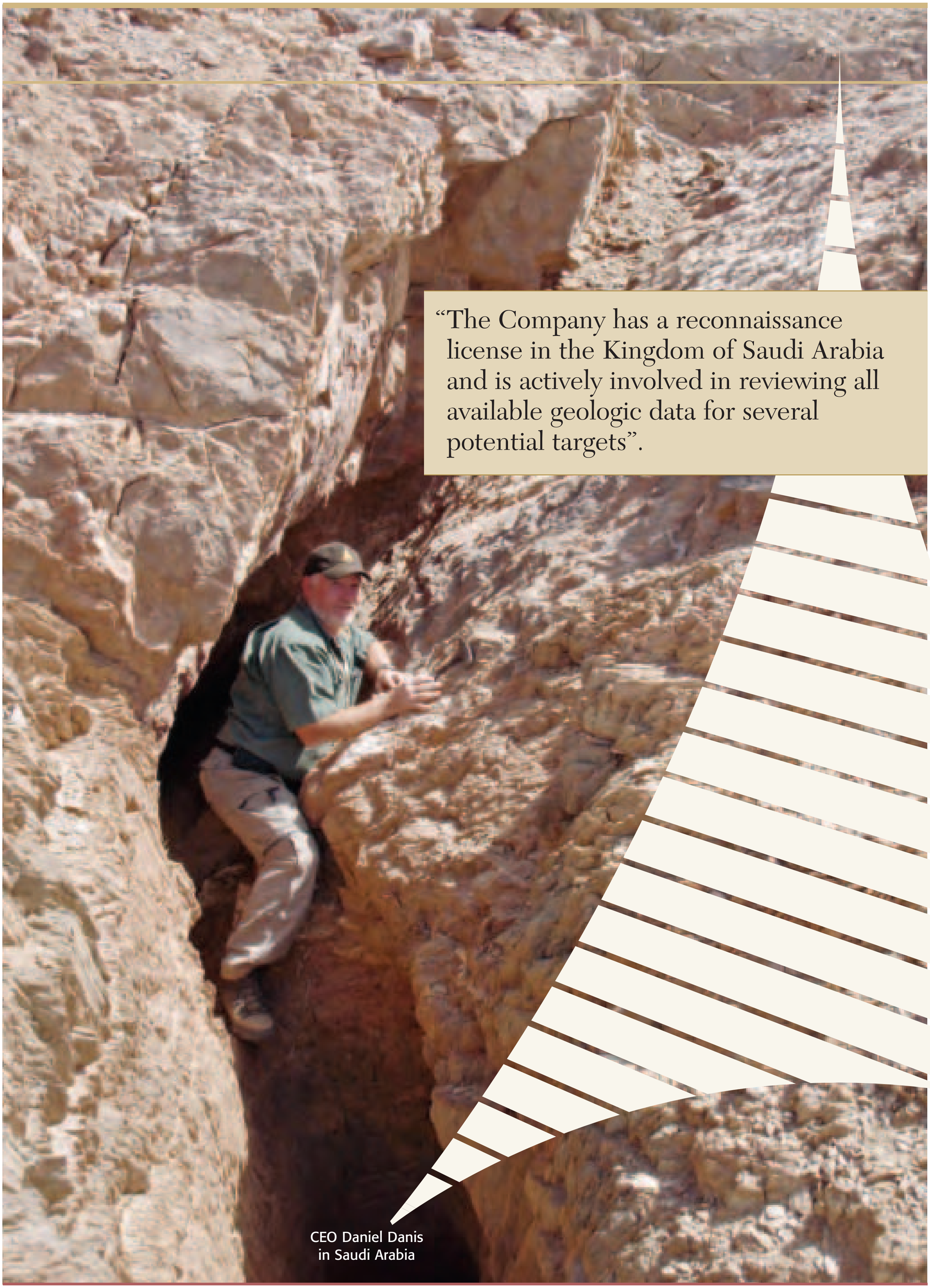
These targets, once identified, will become exploration concessions. Furthermore, Unigold is holding discussions with other local Saudi firms possessing exploration licenses for possible business co-operation arrangements. The Saudi Arabia geological environment for mineralization is very much similar to the geology of East Africa and there are several potential target opportunities that are being pursued in that area as well.

Unigold still believes strongly in its bright future through excellent progress on all fronts by the dedicated efforts of its board of directors, the staff and in particular, the continuing support of the shareholders.

I would like to express my sincere thanks and gratitude to all shareholders for their belief in the future growth of the Company. We look forward to their continued support to achieve the Company's objectives and increase shareholders' investment value.

Dr. Talal A. Alshair
Chairman of the Board

May 15, 2009



"The Company has a reconnaissance license in the Kingdom of Saudi Arabia and is actively involved in reviewing all available geologic data for several potential targets".

CEO Daniel Danis
in Saudi Arabia

PROPERTIES

Property Acquisitions

In July 2002, Unigold acquired a 100% interest in the Neita and Sabaneta 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 on both 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 three years plus two one-year extensions after which it must be converted to an Exploitation License which is issued for 75 years.

Unigold has made all the required payments to the Dominican Republic government and has met its exploration expenditure requirement.

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 concession exceeding 30,000 hectares in the aggregate. Due to this limitation, in 2006, the Company 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. The same year, 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".

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, which is contiguous on the southern boundary of the Neita Property.

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 hectares) 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 several 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.

Induced Polarization ("IP") geophysical surveys on the Los Candelones, El Corozo and Montazo-Guano areas of the property has outlined excellent chargeability targets over large alteration zones which are believed to represent sulphide mineral concentrations.

Unigold's land position in northwestern Dominican Republic

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.

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 2 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 and encountered low gold values of up to 0.8 g/t gold 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 kilometres and a width of about 1 kilometre. Two separate northwest trending regional structures cut the target. Alteration may be controlled by two northeast-southwest secondary faults. Strong argillic alteration is enveloping the quartz veining. Low but consistent gold values averaging 0.3 g/t gold is widespread. Previous trenching on the eastern margin of the alteration zone returned values up to 0.56 g/t gold over 64 metres (MT02) and 0.42 g/t gold over 22 metres (GT01) while trenching on the western margin of the zone, located 2.5 kilometres 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 reconnaissance rock sample on the western end of the target ran 928 ppb gold. A high IP chargeability is coincident with the main Guano Hill.

Neita B Area (Cu)

Neita B 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.

The 2008 regional exploration program has added or significantly expanded several gold and gold-copper showings on the Neita Property.

Significantly two new zones were discovered in proximity to the Los Candelones deposit. The Candelones Southwest showing is coincident with a 250 metre gold-in-soil anomaly and is hosted in strongly clay and silica-altered dacites similar to the main Candelones deposit. Trenching has yielded large intersections of low-grade gold mineralization punctuated by short intervals of high grade gold mineralization. For example trench CDS-07 assayed 96 metres of 0.5 g/t gold including 4 metres at 6.6 g/t gold. A 1,000 metre exploratory drill campaign is planned for this area in the near future.

Neita Panorama

NEITA

The second zone, Candelones Extension is located east of the main deposit and is hosted in brecciated volcaniclastic rocks with extensive sulphide mineralization and barite alteration. Mineralization in this breccia has been followed for 500 metres towards the east and a shallow drill hole assayed 1 g/t gold over 10 metres. The Candelones Extension showing is significant because it proves that gold mineralization surrounding the main deposit occurs in other rock types and alteration signatures than the main deposit.

The Noisy showing was significantly expanded in 2008. Gold mineralization is now followed for more than 800 metres with a newly discovered gold zone sampling more than 6.5 g/t gold in rockchip sampling and trenching with assay results to 1.03 g/t gold over 76 metres, including 4.9 g/t gold over 9 metres. Noisy is coincident with a 2 kilometre long gold-in-soil anomaly and is located at the contact between hornblende dacites and mafic volcanic rocks. An exploratory drill campaign is being prepared to test gold mineralization at depth.

Lomita Piña is a previously unknown gold zone located 2 kilometres east of the Los Candelones gold deposit. Mineralization occurs in veins and lenses of silica-barite-celestite rich rock replacing the host dacite. Gold mineralization has been followed over a strike length of more than 600 metres with grab samples of up to 11 g/t gold and trenches which assayed 2.9 g/t gold over 24 metres, including 4.9 g/t gold over 12 metres.

The Jimenez-Pozo Negro area has been reinterpreted and significantly expanded in 2008. The area is host to several gold and gold-copper values grading up to 14 g/t gold and 10% Cu + 0.6 g/t gold. New discoveries have now identified gold and copper mineralization over a 1.3 kilometre strike length and confirmed that this mineralization is associated with Qz-Feldspar porphyry intrusions along a major structural break. These exciting new discoveries have highlighted the potential for very large copper-gold porphyry deposits on the Neita Property.

NEITA

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:

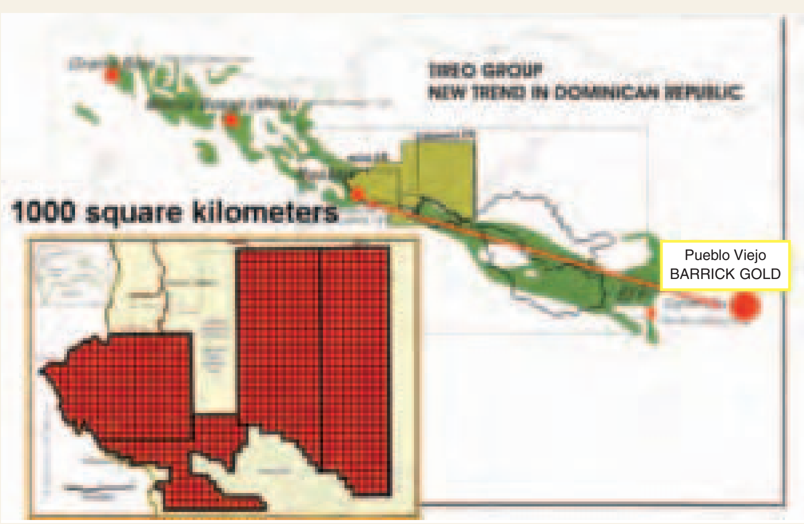
- **MATEO** showing is exposed over a length of 200 metres, about 5 kilometres NNW of Los Candelones near the road going to the El Corozo mineralized area. A 14.4 g/t gold assay was returned from an altered volcanic outcrop. Further investigation of that area returned samples with 3.4 g/t gold, .933 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 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 gold. The showing is located at the summit of a NW trending hill showing few outcrops.

- **JIMENEZ-POZO NEGRO** 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-sulphidation 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 grams per tonne (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. 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.



Tireo Group general geology

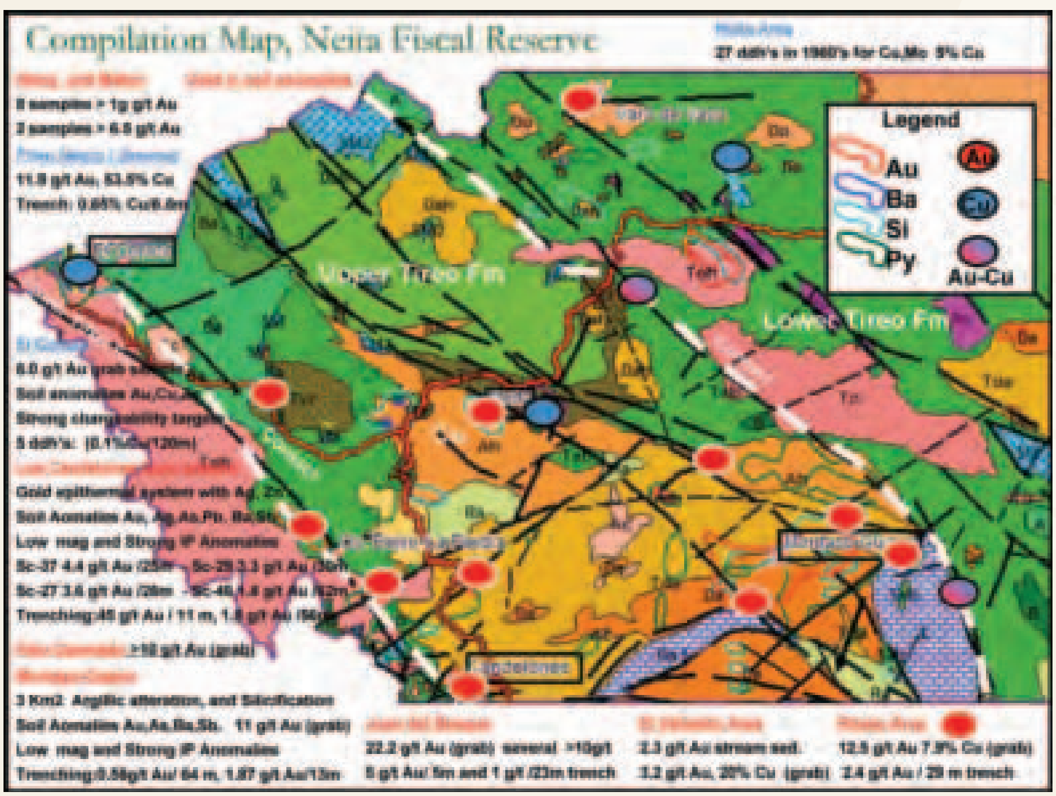
NEITA

JUAN DEL BOSQUE

Discovery of the Juan del Bosque zone by Unigold geologists results from follow-up of an exploration model published for the Pueblo-Viejo deposit (Sillitoe et al., 2007, Economic Geology, vol. 101, pp. 1427-1435). Pueblo Viejo is a Dominican Republic high-sulphidation 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-sulphidation 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.

Results from trenches and drill holes on Juan del Bosque are extremely encouraging. Trench JB-07-01 is showing a barite stockwork zone underlying a baritic silicified brick-red zone (jasperoid) grading more than 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 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.



Neita geology

LOS CANDELONES

Description and Status

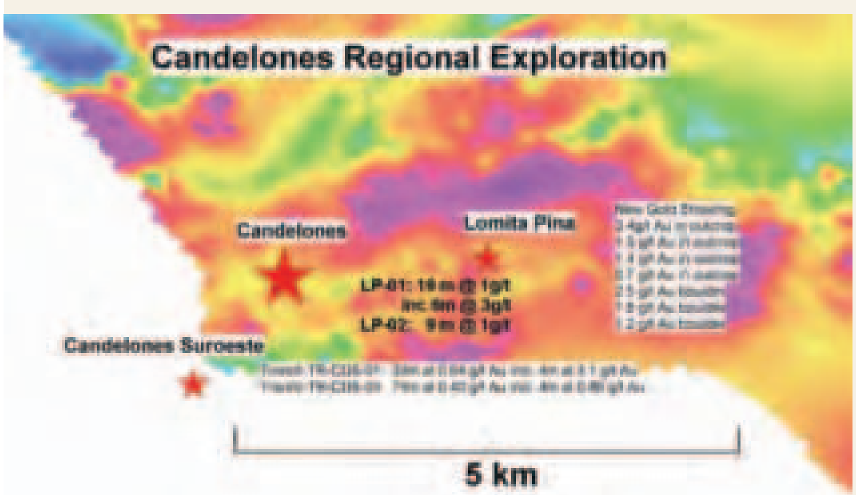
The Los Candelones mineralized zone in the southern part of the Neita Property, is located on the western end of the Cretaceous volcanic belt that transects the Dominican Republic. The mineralized zone was first drilled in the early 1980's by the government (8 ddh, 645m) and followed up in 1997 by BRGM (14 ddh, 2090m) 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 gold 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 gold over 44 metres. At the eastern end of the Los Candelones zone, located 300 metres to the southwest, four old drill holes assayed up to 1.6 g/t gold over 38 metres and old trenching assayed 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, 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 is moderately sulphidized, epithermal system and 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 sulphide 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 array used 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 were inverted during 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 metre), the depth in most of the lines is still undefined or open due to the depth of investigation of the used method (approx. 85 metre, Edwards, 1977). The top of these zones is associated with low conductivity values that correspond to alteration (silicification) zones.

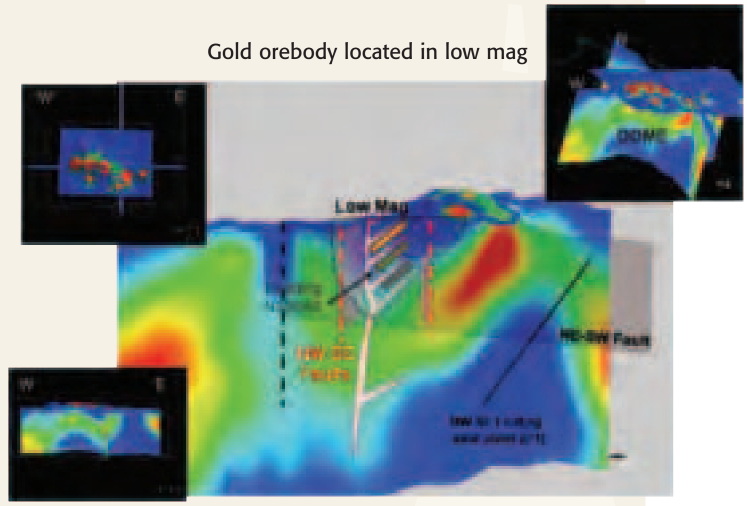


New gold zones
at Los Candelones

LOS CANDELONES

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).

Gold orebody located in low mag



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 followed by a 1,500 metres in 2007 and 1,500 metres in 2008. 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 gold 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.

To date, the Los Candelones Gold Deposit has 130 diamond drill holes on the main hill totaling approximately 24,000 metres. In 2004 and 2005, Unigold completed 19 diamond drill holes 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, and 33 holes in 2008 for a total of 9,800 metres. 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.

Gold grades in the diamond drilling starting near surface of up 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.

LOS CANDELONES

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. The Pueblo Viejo mine is clearly showing a low MAG over the mineralized area.

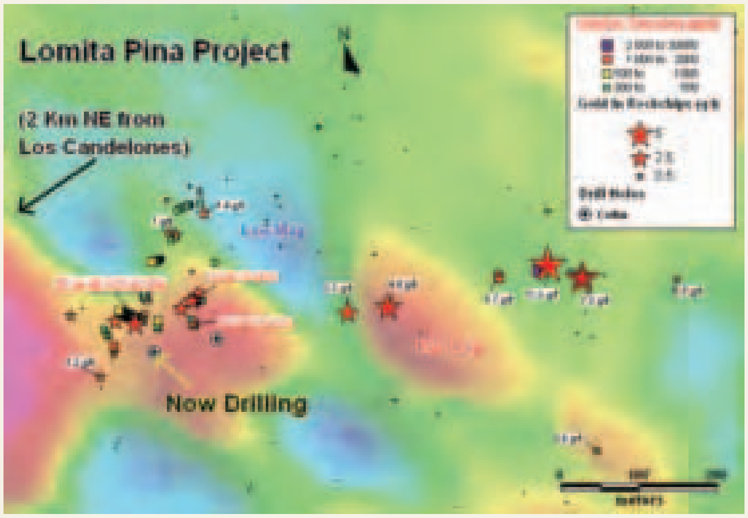
The 3-D compilation of the data of the tested proportion between the drilled and un-drilled parts of Los Candelones Gold Deposit shows high probability to significantly improve the known gold mineralization.

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 8 cross-sections located 25 metres apart. 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.

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 gold 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 high sulphidation signature with 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.

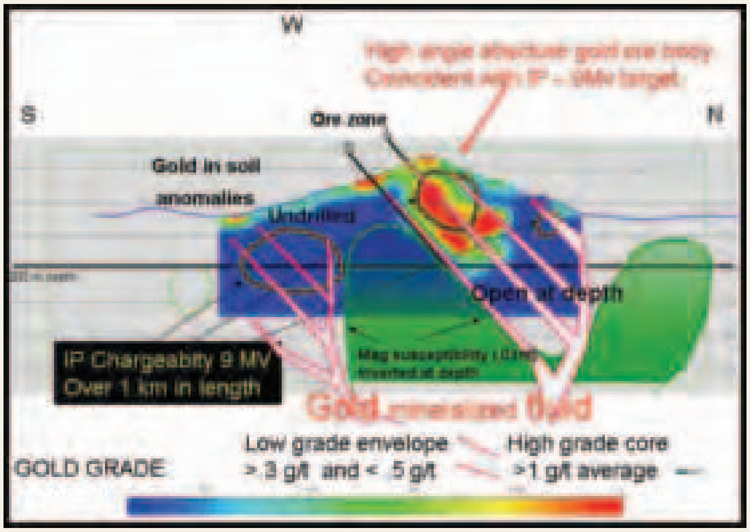
The existing trenched and diamond drilled mineralized area is a small part of the 1,200 metres long by 600 metres wide gold-in-soil anomaly and coincident IP chargeability high which represents sulphide mineralization. The Los Candelones Gold Deposit is the most advanced of several very encouraging target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



Lomita Piña

A new gold zone (Candelones Suroeste) was discovered on the southwestern flank of the Los Candelones high-sulphidation epithermal gold deposit. This new zone has been traced in an east-west direction over a 1,800 metre strike length by gold-in-soil anomalies.

LOS CANDELONES



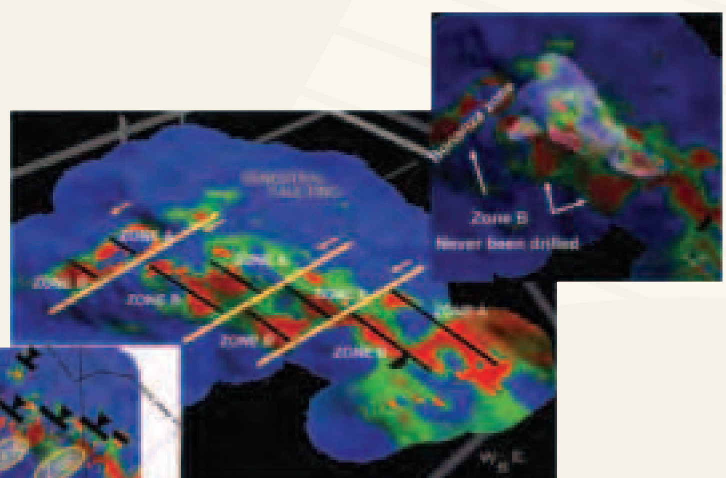
Los Candelones cross section

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.

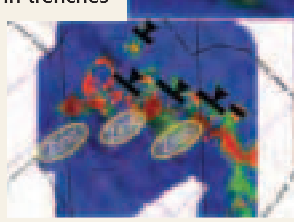
Two perpendicular trenches totalling 261 metres were dug over the showing area to test the gold grades and better understand the geology of the new gold zone. Gold is associated with argilic-altered and silicified dacite with barite veinlets. The trenches indicate that anomalous gold values (>100ppb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

Candelones Suroeste is interpreted as an east-west 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.

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 outcrop and in the drilling core.



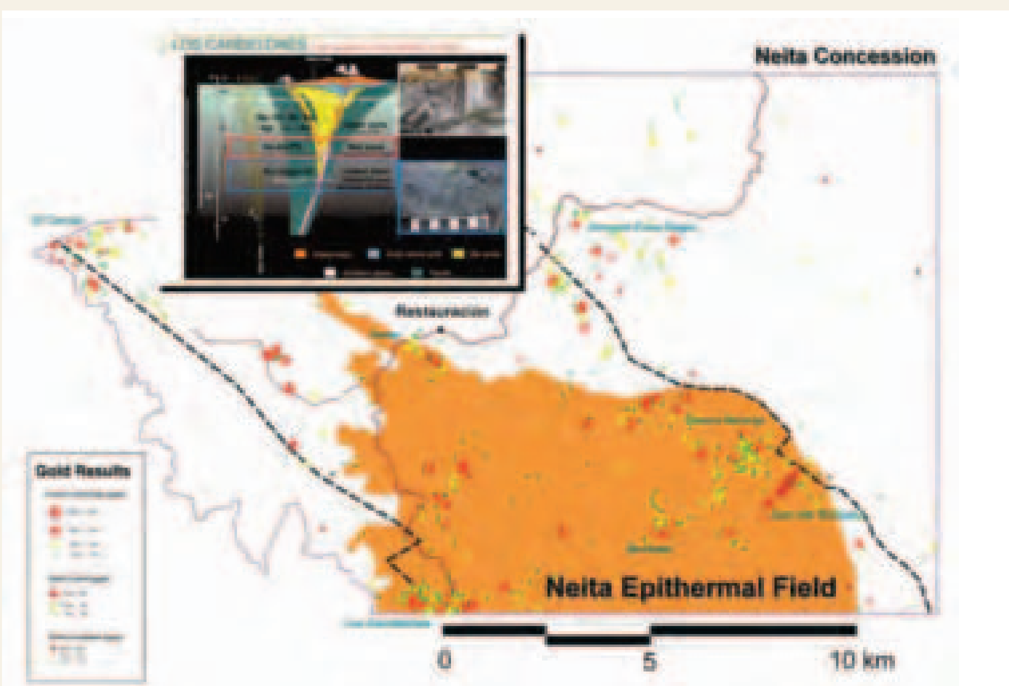
Gold in trenches



LOS CANDELONES DRILL RESULTS

Hole ID		g/t Au	Interval	From	To
DC95		0.42	56m	119m	175m
	Including	1.01	13m	129m	142m
DC99		0.50	38m	113m	151m
	Including	3.60	1m	122m	123m
DC101		0.51	20m	152m	172m
	Including	1.04	6m	166m	172m
	Including	3.95	1m	171m	172m
DC102		0.50	11m	209m	220m
DC103		2.23	1m	88m	89m
	and	2.20	1m	192m	193m
DC104		0.71	89m	177m	266m
	Including	1.05	53m	186m	239m
	Including	2.18	20m	219m	239m
DC105		0.45	76m	101m	177m
DC106		0.71	49m	183m	232m
	Including	1.02	18m	194m	212m
DC107		NSV			
DC108		1.04	32.5m	106m	138.5m
	Including	20.60	1m	130.5m	131.5m
DC109		0.63	16.5m	87m	103.5m
DC110		0.58	106m	141m	247m
	Including	1.12	23m	155m	178m
	and	1.02	12m	203m	215m

Hole ID		g/t Au	Interval	From	To
DC111		0.34	30m	31m	61m
	including	4.43	1m	31m	32m
DC112		0.84	51m	246m	297m
	including	1.56	17m	280m	297m
	including	19.10	1m	296m	297m
DC113		NSV			
DC114		0.48	15m	233m	248m
DC115		NSV			
DC116		NSV			
DC117		1.05	1m	78m	79m
	and	1.09	1m	122m	123m
DC118		0.39	112m	115m	227m
	including	1.02	27m	135m	162m
	including	9.05	1m	149m	150m
DC119		NSV			
DC120		0.79	106m	138m	244m
	including	1.00	76m	138m	214m
	including	2.52	24m	192m	216m
	including	5.54	10m	197m	207m



LOS CANDELONES

A field study of the Los Candelones system, shows classic epithermal zoning starting with 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 a gold-barite veining zone then into a barite breccia zone and closing the system with a barite cap zone.

In early 2009, the Company announced a new discovery on Loma “Naranjo”, located 8 kilometres north-east of Unigold’s Los Candelones deposit. Loma Naranjo is part of a huge epithermal alteration zone which covers an area of more than 16 square kilometres. Discovery of a new gold zone on Loma Naranjo results from the follow up of numerous gold bearing grab samples occurring between Loma Naranjo and Loma Guano within a hydrothermal breccia zone (1,200 metres x 400 metres) located in a valley between Loma Guano and Loma Naranjo hills

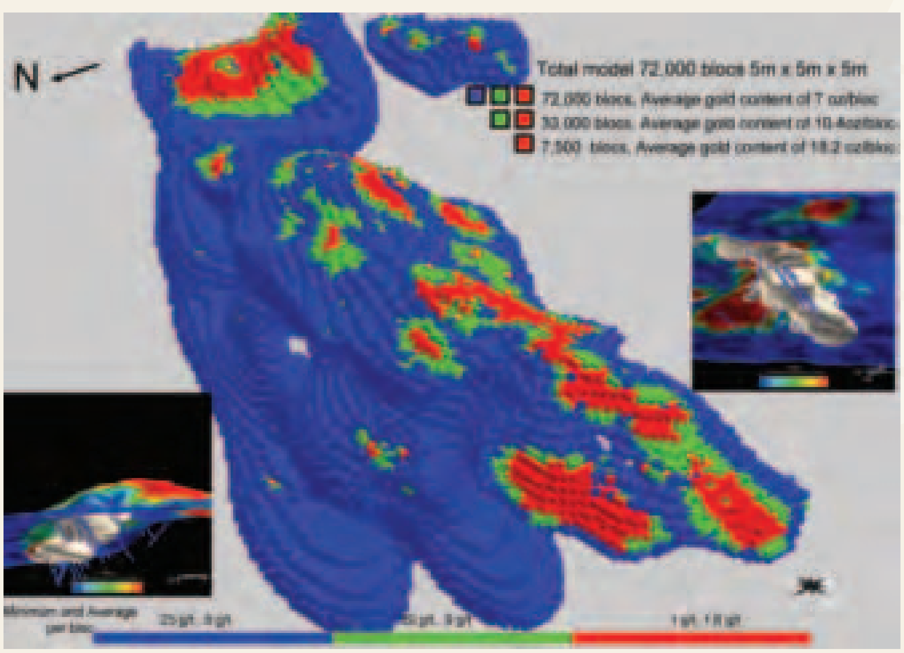
Trenching on the Naranjo flanc returned several intercepts above 2 g/t gold:

- TR-NA-09-03, 5 metres at 2.50 g/t gold, within 48 metres at 0.5 g/t gold;
- TR-NA-09-04, 35 metres at 2.68 g/t gold, including 23 metres at 4 g/t gold;
- TR-NA-09-05, 30 metres at 2.0 g/t gold, including 18 metres at 3 g/t gold.

Further trench results are pending. Gold occurs in lenses and veins of dense silica-barite rock in advanced argilic altered dacite. The Company believes this mineralization represents the medium to high temperature upper-reaches of an epithermal system similar to the one responsible for the gold mineralization at the nearby Los Candelones deposit.

Furthermore on Guano flanc of Naranjo, hydrothermal breccia trenching returned 19 metres above 2 g/t gold with centre section of 6 metres at 5.5 g/t gold. Three grab samples from the bottom of TR-GU-08-03 returned 30.5, 35.0 and 197.5 g/t gold.

Unigold is very encouraged by the initial results at Loma Naranjo hydrothermal breccia. An aggressive exploratory drilling campaign, to further confirm these results, is planned for the third quarter of 2009.



3D geological modelling

2009 EXPLORATION UPDATE ON NEITA

NOISY Epithermal target

The Noisy epithermal target is located 6 kilometres to the north of the Candelones deposit and it corresponds to a 1,600 x 300 metres gold-in-soils anomaly. The anomaly is open to the north-west and displays the exact same epithermal signature in the soil survey (630 samples) as Candelones (As,Sb,Ba,Pb, and Zn) and the same magnetic depletion characteristic of the system. The follow-up on the soil was done by trenching 22 trenches for a total of more then 3,000 metres. The mineralization envelop at Noisy could reach 127 metres grading at 0.30 g/t gold per ton (TR-NO-08-21). The centre core mineralization shows a higher grade core at 1 g/t gold over a width of 78 metres, including 26 metres at 2 g/t gold. (TR-NO-08-10) (See table below).

Preliminary drilling of five holes (620 metres) intercepted 38 metres at 1 g/t gold, including 10 metres at 2 g/t gold (hole DN-02). (See table below)

Drilling Results

Trench	Zone	From	To	Length (m)	g/t Au	Including From	To	Length (m)	g/t Au
DN-02	Noisy	20	65	**45**	**0.91**	22	60	**38**	**1.00**
						34	44	**10**	**2.02**
						40	44	**4**	**3.76**
DN-03	Noisy	49	94	**45**	**0.50**	53	60	**7**	**0.91**
						88	95	**7**	**1.04**

The following trench results table shows the best assay results obtained from trenches on different epithermal targets in the Neita Property. Highlights are:

- Candelones, 199 metres at 1.06 g/t gold and 47 metres at 1.6 g/t gold
- Candelones, 101 metres at .48 g/t gold, Noisy 78 metres at 1 g/t gold, including 26 metres at 2 g/t gold
- Juan del Bosque, 53 metres at 1.2 g/t gold, Guano 17 metres at 2.02 g/t gold
- Naranjo, 35 metres at 2.68 g/t gold, including 23 metres at 4 g/t gold
- Palo Quemado, 10 metres at 1.25 g/t gold

UNIGOLD INC. (A DEVELOPMENT STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2008

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 27, 2009 and should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2008. 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 $11.2 million (present valued at approximately $6.2 million, net of an impairment charge of $5.0 million) invested in asset-backed-commercial paper ("ABCP") in which no active market currently exists and the funds cannot be accessed. See ABCP Investment section of this Management's Discussion and Analysis 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.

Company Overview

Unigold is focused on gold exploration in the Dominican Republic within the 75 kilometres wide Cretaceous age Tireo Formation volcano-sedimentary rocks, which host the world class Pueblo Viejo gold deposit. Unigold's Neita Property covers 22,616 hectares of this favourable geology and is host to the Los Candelones deposit, as well as numerous gold and copper-gold showings.

The number of gold and copper-gold showings, and the variety of mineralization types on the Neita Property highlight its exceptional exploration potential. Mineralization ranges from copper-gold porphyry systems, such as El Corozo, to high-sulfidation epithermal gold encountered at the Los Candelones deposit. Furthermore, the property contains several large areas of high temperature clay alteration with coincident soil anomalies and impressive gold showings of up to 30 grams per tonne ("g/t") gold.

Since acquiring the Neita Property, the Company has built an extensive and detailed geological database with information gathered from more than 3,000 grab samples, 7,000 metres of trenching, 11,000 soil samples, hundreds of line kilometres of airborne and ground geophysics, extensive stream sediment sampling, and more than 20 kilometres of drilling on the Los Candelones 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.

The Company's common shares are also listed on the NASDAQ Dubai (formerly called the Dubai International Financial Exchange or DIFX). With its strong shareholder ties in the Middle East, the Company expects to raise its profile with investors in the NASDAQ Dubai region.

Exploration

Since February 2006, the Company 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 the Los Candelones 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 2008.

Los Candelones

The Los Candelones deposit is the most advanced project on the Neita Property. To date more than 120 holes have been drilled on the project, and gold mineralization has been followed over a strike length of more than 900 metres, and a vertical depth of 250 metres. Mineralization at Los Candelones is characterized by wide sections of low grade disseminated mineralization, crosscut by high grade gold-chalcopyrite-enargite veins. Drill hole DC120 (September 23, 2008 press release No. 2008-8) is a good example of this mineralization with assays of 0.79 g/t gold over 106 metres, including 5.5 g/t gold over 10 metres. The Los Candelones deposit is the most advanced of several very encouraging target areas within the 226 square kilometre Neita Property.

Regional Exploration

The 2008 regional exploration program added, or significantly expanded, several gold and gold-copper showings on the Neita Property.

Significantly, two new zones were discovered in proximity to the Los Candelones deposit. The Candelones Southwest showing is coincident with a 250 metre gold-in-soil anomaly, and is hosted in strongly clay and silica-altered dacites similar to the main Los Candelones deposit. Trenching has yielded large intersections of low-grade gold mineralization punctuated by short intervals of high grade gold mineralization. For example, trench CDS-07, assayed 96 metres of 0.5 g/t gold, including 4 metres at 6.6 g/t gold.

The second zone, Candelones Extension, is located east of the main deposit, and is hosted in brecciated volcaniclastic rocks with extensive sulfide mineralization and barite alteration. Mineralization in this breccia has been followed for 500 metres towards the east and a shallow drill hole assayed 1 g/t gold over 10 metres. The Candelones Extension showing is significant because it proves that gold mineralization surrounding the main deposit occurs in other rock types and alteration signatures than the main deposit.

A new gold zone, named Lomita Pina, was also discovered during 2008. Lomita Pina is located two kilometres east of the Los Candelones deposit. Mineralization occurs in veins and lenses of silica-barite-celestite rich rock replacing the host dacite. Gold mineralization has been followed over a strike length of more than 600 metres with grab samples of up to 11 g/t gold, and trenches which assayed 2.9 g/t gold over 24 metres, including 4.9 g/t gold over 12 metres.

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:

	2008	2007	2006
Total revenue	$ 404,312	$ 193,094	$ 204,186
Net loss	(3,268,479)	(3,936,685)	(1,700,592)
Net loss per share - basic and diluted	(0.04)	(0.05)	(0.03)
Total assets	18,679,819	17,103,928	13,047,044
Total liabilities	5,112,245	806,865	162,969
Shareholders' equity	13,564,743	16,294,232	12,881,244

The 2008 and 2007 losses include an impairment charge of $2,200,000 and $2,800,000, respectively, on the ABCP's investments.

The higher total liabilities in 2008 include the $4,880,000 of the bank loan as a result of the ABCP's investments.

Results of Operations

For the year ended December 31, 2008, the Company recorded a net loss of $3,268,479, or $0.04 per share, compared with a net loss of $3,936,685, or $0.05 per share, in 2007.

The 2008 and 2007 losses include a provision for an impairment charge in other investments, consisting entirely of asset-backed commercial paper ("ABCP"), of $2,200,000 and $2,800,000, respectively. 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:
As at December 31, 2008, the Company had $11 million invested in Asset-Backed Commercial Paper ("ABCP") initially rated R1-High by the Dominion Bond Rating Service ("DBRS").

In mid-August of 2007, the Canadian third-party ABCP market was hit by a liquidity disruption, and since that time, no transactions within an active market have been entered into involving the ABCP securities held by the Company. On August 16, 2007, a group representing banks, asset providers and major investors announced a proposed solution known as the Montreal Accord, and agreed to a standstill period in respect of ABCP sold by 23 conduit issuers. A Pan-Canadian Investors Committee (the "Committee") was subsequently established to oversee the proposed restructuring process and on March 20, 2008, the Committee released its proposed restructuring plan through an Information Statement in respect of a Plan of Compromise and Arrangement (the "Plan"), pursuant to the Companies Creditors Arrangement Act ("CCAA"). Note holders approved the Plan on April 25, 2008 and Justice Campbell, presiding over the restructuring under the CCAA, approved the Plan on June 5, 2008. On August 18, 2008, the appeals court of Ontario confirmed Justice Campbell's decision, following various appeals, and on September 19, 2008, the Supreme Court of Canada released a decision denying leave to appeal from the decision of the Ontario Court of Appeal. As at December 31, 2008, the non-bank ABCP market remained the subject of a restructuring process with the expressed intention of replacing the ABCP with a number of long-term floating rate notes.

The restructuring plan, which was completed on January 21, 2009, pooled all of the underlying assets from all the ABCP trusts with the exception of those assets designated as ineligible for pooling ("Ineligible Assets") and those series of assets backed exclusively by traditional financial assets ("Traditional Series"). Upon completion of the restructuring, income which had been accumulating from the underlying assets was distributed to investors. ABCP relating to the pooled assets was replaced with four classes of asset-backed notes named A1, A2, B and C, in declining order of seniority. ABCP relating to Ineligible Assets and Traditional Series was replaced with new tracking notes whose characteristics are designed to track the performance of the particular assets of the series to which they correspond. Ineligible Asset tracking notes will track the performance and repayment of the related underlying assets in certain conduits with significant exposure to the U.S. residential mortgage market. Traditional assets are un-levered investments and include credit card receivables, residential and commercial mortgage-backed securities and cash equivalents. The pooled assets are comprised of financial instruments backed by derivative contracts. They are referred to as synthetic assets and are comprised of pools of derivative instruments called Credit Default Swaps (CDS). A CDS is a contract that provides protection against the default of an underlying asset.

The Company performs a valuation to estimate the fair value of the ABCP using information gained from the press releases of the Investors Committee, and the special report prepared by JP Morgan and the Company's best estimates of reasonably possible outcomes. As the investment is not supported by observable market prices or rates, the Company estimated the fair value of the ABCP using a probability weighted cash flow approach to come up with a range of reasonably possible outcomes.

	Face Value	Fair Value Estimate	Maturity Date
	(Millions)		
Master Asset Vehicle 2 Notes			
A1 and A2 (rated A)	$ 8.9	$ 5.1	December 2016
B and C	1.1	0.3	December 2016
Master Asset Vehicle 3 Tracking Note	0.9	0.7	September 2015
Ineligible Asset Tracking Note	0.3	0.1	October 2016
	$ 11.2	$ 6.2	

The principal assumptions underlying the fair values are as follows:

A1 and A2 notes

- Interest at a rate 0.5% less than the Banker's Acceptance ("BA") rate
- Premium yields of 6.5% over the BA rate required by prospective buyers of these notes
- Probability weighting of 98%
- Term of 8 years

For the Class A1, A2 notes, the Company previously referred to the CDX-7 year index (cited by the JP Morgan Report) as a key input into its internal valuation model. The CDX-7 year index ordinarily reflects spreads in a functioning market for products with similar maturities and risk profiles to the restructured

A1 and A2 Notes. However, the markets for structured investments with risk profiles similar to the restructured third-party sponsored ABCP and for products similar to the restructured assets within the ABCP trusts have continued to be characterized by an extremely low level of activity. Indices related to these markets have been subject to significant movements based on only a few small value trades. With few transactions taking place, the indices are often rendered out-of-date almost immediately after publication. As a result, certain financial institutions have ceased the publication of relevant structured CDX indices that the Company referred to when constructing discount factors used when valuing its investments in third-party sponsored ABCP in its interim financial statements published during 2008. For the foregoing reasons the Company has used its own subjective estimates of credit spreads and the required premium over BA rate with broad reference to previously published CDX data.

The B, C and Ineligible Tracking Notes

The B, C and Ineligible Tracking Notes are unrated, have a low payment priority in the restructuring plan and represent a relatively immaterial portion of the Company's total investment in ABCP. The Company has written down the carrying values of these investments from $1.4 million to $0.4 million based on management's subjective estimates in the range of 8% to 25% of premium yields required by buyers of these notes and expected cash flows with probability weighting of 50%.

Master Asset Vehicle 3 Tracking Note

- Interest at a rate 0.5% above the Banker's Acceptance ("BA") rate
- Premium yields of 5% over the BA rate required by prospective buyers of these notes
- Probability weighting of 98%
- Term of 8 years

Unlike the A1 and A2 notes the traditional assets underlying Master Asset Vehicle 3 Tracking Note do not include pools of CDSs. The market discount factors selected by the Company for calculating the fair value of the investment in Master Asset Vehicle 3 Tracking Note reflect spreads observable with respect to bank offerings of medium term notes adjusted for the Company's best estimate of prospective buyers' required yield.

No estimate of the restructuring costs, which have been stated as being immaterial by the restructuring committee have been included in the fair value assessment.

The Company's fair value methodology has resulted in an additional impairment charge of $2.2 million in 2008, bringing the total impairment charge to $5.0 million. The range of fair values estimated by the Company varied between $5.6 and $6.4 million. In the event significantly different information regarding risk profiles similar to the restructured third-party sponsored ABCP and for products similar to the restructured assets becomes available, the actual values could be materially different from the estimated value presented here. While the Company believes that it has utilized an appropriate methodology to estimate fair value, given the number of uncertainties there can be no assurance that management's estimate of potential recovery as at December 31, 2008 is accurate.

Revenue

Revenue is limited to interest earned on cash balances and short term investments and amounted to $404,312 in 2008, compared to $193,094 for the prior year. The 2008 revenue includes interest earned on the ABCP's that was received in January 2009, when the restructuring of the ABCP was completed.

Administrative Expenses

Administrative expenses (not including the impairment charge on the ABCP) were $1,472,791 in 2008, compared to $1,329,779 in 2007. The 2008 expenses include a charge of $530,740 (2007 - $30,393) of stock-based compensation, as the Company granted 3,122,000 stock options to certain officers, directors and consultants. The fair value of the options granted was based on the Black-Scholes option pricing model. Other administrative expenses in 2008 were mostly in line with the prior year.

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, 2008	$ 403,079	$ (1,639,965)	$ (0.02)
September 30, 2008	$ 337	$ (762,280)	$ (0.01)
June 30, 2008	$ 457	$ (595,649)	$ (0.01)
March 31, 2008	$ 439	$ (270,585)	$ nil
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

The net losses in the following quarters include an impairment charge on the ABCP, as follows:

December 31, 2008	$ 1,900,000
June 30, 2008	$ 300,000
December 31, 2007	$ 1,500,000
September 30, 2007	$ 1,300,000

The third quarter of 2008 net loss also includes stock-based compensation costs of $530,740.

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.

The Company's ability to meet its financial obligations is dependent upon securing financing and the eventual full recovery of the $11.2 million in the ABCP investments. The Company has obtained a line of credit with a senior Canadian bank of $8 million, backed by the ABCP, to assist the Company with its working capital requirement. To date, the Company has drawn down $5.1 million.

As at December 31, 2008, the Company has a working capital deficiency of $4,460,694. Included in this deficiency, is a drawdown of $4,880,000 from the line of credit mentioned above. See Notes 3, 6 and 15 of the notes to the consolidated financial statements for additional information on the ABCP investments.

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, 2008 and 2007 are payments made to corporations under the control or significant influence of officers and directors of the Company as follows:

		2008		2007
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$	201,305	$	141,851
Travel and business development expenditures paid to a corporation controlled by a director of the Company	$	40,000	$	–
General and administrative expenses paid to a corporation controlled by an officer and director of the Company	$	–	$	41,327
Professional fees paid to an officer and director of the Company	$	65,000	$	43,200
Investor relations expenditures paid to a corporation controlled by a director of the Company	$	10,000	$	–
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company	$	105,000	$	194,310
Legal fees paid to a law firm where a director of the Company is also a partner	$	8,268	$	–

Included in prepaid expenses as at December 31, 2008 is an advance in the net amount of $9,632 (December 31, 2007 - $69,717) to a corporation controlled by a 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 (December 31, 2007 - $20,000) to an officer and director of the Company. Included in accounts payable and accrued liabilities is $12,598 (December 31, 2007 - $12,178) payable to a corporation controlled by a director of the Company. These balances are non-interest bearing and unsecured with no fixed terms of repayment.

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 $1,639,965, or $0.02 per share, in the fourth quarter of 2008. The loss is mostly due to an impairment charge of $1,900,000 on the ABCP, $103,259 spent on continuing investor relation activities, $93,135 incurred on travel and business development activities, offset by a foreign exchange gain of $276,936 due to the strengthening of the U.S. dollar relative to the Canadian dollar.

The Company continued its exploration program on the Neita Property in the Dominican Republic. Exploration expenditures of $612,536 were incurred during the fourth quarter of 2008.

The Company has drawn down $1,040,000 of the credit facility with a senior Canadian bank during the quarter and paid $33,566 of interest on the amount drawn down to date.

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, 2008, the Company adopted the following new CICA Handbook Standards:

Section 1535 - 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. See Note 13 to the consolidated financial statements.

Section 3862 - Financial Instruments, Disclosure; and Section 3863 - Financial Instruments, 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. As these standards only address presentation and disclosure requirements, there is no impact to the Company's results. See Note 11 to the consolidated financial statements.

General Standards of Financial Statement Presentation
The CICA has amended Section 1400, General Standards of Financial Statement Presentation, which is effective for interim periods beginning on or after October 1, 2008, to include requirements to assess and disclose the Company's ability to continue as a going concern. The adoption of the amended standards did not have a material impact on the Company's consolidated financial statements.

Future Accounting Changes:

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.

Section 1582 - Business Combinations
CICA Handbook Section 1582 "Business Combinations", replaces Section 1581 - "Business Combinations" and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 - Business Combinations. This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. The Company will adopt this standard on January 1, 2011.

Section 1601 - Consolidations and Section 1602 - Non-Controlling Interests

CICA Handbook Sections 1601 “Consolidations” and Section 1602 “Non-Controlling Interests” replace Section 1600 “Consolidated Financial Statements”. Section 1602 provides the Canadian equivalent to International Accounting Standard 27 - “Consolidated and Separate Financial Statements”, for non-controlling interests. The Company will adopt this standard on January 1, 2011.

EIC 173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The Company is continually evaluating its counterparties and their credit risks.

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 of the consolidated financial statements regarding the fair value of other investments.

Liquidity Risk

As at December 31, 2008, the Company has a working capital deficiency of $4,460,694. The Company’s ability to meet its financial obligations is dependent upon securing financing and the eventual recovery of the ABCP investments, as the Company has approximately $6.2 million (net of an impairment charge of $5.0 million) invested in the ABCP’s. In the interim, the Company has obtained a credit facility with a senior Canadian bank to finance the current working capital needs. See Notes 3, 6 and 15 of the notes to the consolidated financial statements.

Market Risk

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

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. As at December 31, 2008, the Company had cash balances of $133,994 in US currency and $nil in Canadian currency.

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.

Capital Management

The Company considers its capital structure to consist of common shares and contributed surplus. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration and corporate activities.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year ended December 31, 2008. The Company is not subject to externally imposed capital requirements.

The Company's objectives in managing capital are to safeguard its ability to operate as a going concern.

Outstanding Share Data

Details about the Company's outstanding common shares as at April 27, 2009 is as follows:

Common shares issued and outstanding	85,839,938
Potential issuance of common shares:	
Stock options issued to directors, employees, officers and consultants	5,062,000
	90,901,938

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 President and Chief Executive 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.

Daniel Danis
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, 2008 and 2007 and the consolidated statements of operations and deficit, comprehensive loss and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
March 11, 2009

UNIGOLD INC. (A DEVELOPMENT STAGE COMPANY)

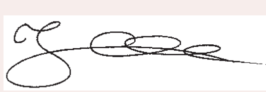
CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	As at December 31, 2008	As at December 31, 2007
Current assets		
Cash and cash equivalents	$ 172,185	$ 114,474
Sundry receivables	439,614	43,695
Prepaid expenses *(note 9)*	39,752	104,765
	651,551	262,934
Other investments *(note 3)*	6,197,669	8,158,718
Equipment *(note 4)*	430,714	545,424
Mineral properties *(note 5)*	624,574	624,574
Deferred exploration costs *(note 5)*	10,675,311	7,412,278
Public listing status	100,000	100,000
	$ 18,679,819	$ 17,103,928
Current liabilities		
Accounts payable and accrued liabilities *(note 9)*	$ 158,066	$ 190,622
Cheques issued in excess of cash	74,179	106,243
Bank loan *(note 6)*	4,880,000	510,000
	5,112,245	806,865
Commitments and contingencies *(notes 1, 3, and 12)*		
Non-controlling interest	2,831	2,831
Shareholders' Equity		
Common shares *(note 7(a))*	27,331,166	27,320,166
Contributed surplus *(note 7(d))*	2,500,547	1,972,557
Deficit	(16,266,970)	(12,998,491)
	13,564,743	16,294,232
	$ 18,679,819	$ 17,103,928

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, 2008	December 31, 2007
Revenue		
Interest income	$ 404,312	$ 193,094
Administrative expenses		
Listing and shareholder information	358,672	433,468
Foreign exchange (gain) loss	(254,147)	283,591
General and administrative expenses	179,919	198,760
Management services fees	217,278	144,701
Travel and business development	161,935	119,690
Professional and consulting fees	179,827	109,921
Stock-based compensation	530,740	30,393
Interest expense	92,506	1,067
Provision for impairment of other investments *(note 3)*	2,200,000	2,800,000
Amortization	6,061	8,188
	3,672,791	4,129,779
Net loss for the year	(3,268,479)	(3,936,685)
Deficit, beginning of year	(12,998,491)	(9,061,806)
Deficit, end of year	$ (16,266,970)	$ (12,998,491)
Loss per share - Basic and diluted	$ (0.04)	$ (0.05)
Weighted average number of shares outstanding	*85,832,566*	*78,727,267*

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, 2008	December 31, 2007
Net loss for the year	$ (3,268,479)	$ (3,936,685)
Other comprehensive loss	–	–
Comprehensive loss for the year	$ (3,268,479)	$ (3,936,685)

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, 2008	December 31, 2007
Cash flows from operating activities		
Net loss for the year	$ (3,268,479)	$ (3,936,685)
Add items not requiring cash:		
Amortization	6,061	8,188
Foreign exchange (gain) loss	(254,147)	283,591
Provision for impairment of other investments *(note 3)*	2,200,000	2,800,000
Stock-based compensation	530,740	30,393
	(785,825)	(814,513)
Net changes in non-cash working capital balances *(note 10)*	(337,997)	198,015
	(1,123,822)	(616,498)
Cash flows from financing activities		
Bank loan	4,370,000	510,000
Exercise of stock options	8,250	84,000
Exercise of broker warrants	–	227,880
Exercise of share purchase warrants	–	6,750,000
	4,378,250	7,571,880
Cash flows from investing activities		
Deferred exploration costs	(3,196,717)	(3,528,022)
Acquisition of equipment	–	(76,468)
Purchase of investments *(note 3)*	–	(11,045,138)
	(3,196,717)	(14,649,628)
Increase (decrease) in cash and cash equivalents	57,711	(7,694,246)
Cash and cash equivalents, beginning of year	114,474	7,808,720
Cash and cash equivalents, end of year	$ 172,185	$ 114,474
Cash and cash equivalents consist of:		
Cash	$ 172,185	$ 114,474
Cash equivalents	–	–
	$ 172,185	$ 114,474
Supplemental Information		
Income taxes paid	$ –	$ –
Interest paid	92,506	1,067
Shares issued for interest in property	–	257,400

See accompanying notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2008 and 2007 (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 and environmental 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 $6.2 million (net of an impairment charge of $5.0 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, other investments, impairment provisions and tax accounts. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Stock-Based Compensation

The Company follows 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.

Financial Instruments - Recognition and Measurement

All financial assets and financial liabilities are measured at fair value on initial recognition and their subsequent measurement is 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
Bank loan	Other liabilities
Cheques issued in excess of cash	Other liabilities

Comprehensive Income (Loss)

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.

Effective January 1, 2008, the Company adopted the following new CICA Handbook Standards:

Section 1535 - 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 (Note 13).

Section 3862 - Financial Instruments, Disclosure; and Section 3863 - Financial Instruments, 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. As these standards only address presentation and disclosure requirements, there is no impact to the Company's results (Note 11).

General Standards of Financial Statement Presentation

The CICA has amended Section 1400, General Standards of Financial Statement Presentation, which is effective for interim periods beginning on or after October 1, 2008, to include requirements to assess and disclose the Company's ability to continue as a going concern. The adoption of the amended standards did not have a material impact on the Company's consolidated financial statements.

Future accounting changes:

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 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

Section 1582 - Business Combinations

CICA Handbook Section 1582 "Business Combinations", replaces Section 1581 - "Business Combinations" and provides the Canadian equivalent to International Financial Reporting Standards ("IFRS") 3 - Business Combinations. This applies to a transaction in which the acquirer obtains control of one or more businesses. Most assets acquired and liabilities assumed, including contingent liabilities that are considered to be improbable, will be measured at fair value. Any interest in the acquiree owned prior to obtaining control will be remeasured at fair value at the acquisition date, eliminating the need for guidance on step acquisitions. Additionally, a bargain purchase will result in recognition of a gain and acquisition costs must be expensed. The Company will adopt this standard on January 1, 2011.

Section 1601 - Consolidations and Section 1602 - Non-Controlling Interests

CICA Handbook Sections 1601 "Consolidations" and Section 1602 "Non-Controlling Interests" replace Section 1600 "Consolidated Financial Statements". Section 1602 provides the Canadian equivalent to International Accounting Standard 27 - "Consolidated and Separate Financial Statements", for non-controlling interests. The Company will adopt this standard on January 1, 2011.

EIC 173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The Company is continually evaluating its counterparties and their credit risks.

EIC 174 - Mining Exploration Costs

On March 27, 2009 the EIC issued EIC-174. In this EIC the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The EIC should be applied to financial statements issued after March 27, 2009 and the Company has adopted EIC-174.

3. OTHER INVESTMENTS

As at December 31, 2008, the Company had $11 million invested in Asset-Backed Commercial Paper ("ABCP") initially rated R1-High by the Dominion Bond Rating Service ("DBRS").

In mid-August of 2007, the Canadian third-party ABCP market was hit by a liquidity disruption, and since that time, no transactions within an active market have been entered into involving the ABCP securities held by the Company. On August 16, 2007, a group representing banks, asset providers and major investors announced a proposed solution known as the Montreal Accord, and agreed to a standstill period in respect of ABCP sold by 23 conduit issuers. A Pan-Canadian Investors Committee (the "Committee") was subsequently established to oversee the proposed restructuring process and on March 20, 2008, the Committee released its proposed restructuring plan through an Information Statement in respect of a Plan of Compromise and Arrangement (the "Plan"), pursuant to the Companies Creditors Arrangement Act ("CCAA"). Note holders approved the Plan on April 25, 2008 and Justice Campbell, presiding over the restructuring under the CCAA, approved the Plan on June 5, 2008. On August 18, 2008, the appeals court of Ontario confirmed Justice Campbell's decision, following various appeals, and on September 19, 2008, the Supreme Court of Canada released a decision denying leave to appeal from the decision of the Ontario Court of Appeal. As at December 31, 2008, the non-bank ABCP market remained the subject of a restructuring process with the expressed intention of replacing the ABCP with a number of long-term floating rate notes.

The restructuring plan, which was completed on January 21, 2009, pooled all of the underlying assets from all the ABCP trusts with the exception of those assets designated as ineligible for pooling (“Ineligible Assets”) and those series of assets backed exclusively by traditional financial assets (“Traditional Series”). Upon completion of the restructuring, income which had been accumulating from the underlying assets was distributed to investors. ABCP relating to the pooled assets was replaced with four classes of asset-backed notes named A1, A2, B and C, in declining order of seniority. ABCP relating to Ineligible Assets and Traditional Series was replaced with new tracking notes whose characteristics are designed to track the performance of the particular assets of the series to which they correspond. Ineligible Asset tracking notes will track the performance and repayment of the related underlying assets in certain conduits with significant exposure to the U.S. residential mortgage market. Traditional assets are un-levered investments and include credit card receivables, residential and commercial mortgage-backed securities and cash equivalents. The pooled assets are comprised of financial instruments backed by derivative contracts. They are referred to as synthetic assets and are comprised of pools of derivative instruments called Credit Default Swaps (CDS). A CDS is a contract that provides protection against the default of an underlying asset.

The Company performs a valuation to estimate the fair value of the ABCP using information gained from the press releases of the Investors Committee, and the special report prepared by JP Morgan and the Company’s best estimates of reasonably possible outcomes. As the investment is not supported by observable market prices or rates, the Company estimated the fair value of the ABCP using a probability weighted cash flow approach to come up with a range of reasonably possible outcomes.

	Face Value	Fair Value Estimate	Maturity Date
		(Millions)	
Master Asset Vehicle 2 Notes			
A1 and A2 (rated A)	$ 8.9	$ 5.1	December 2016
B and C	1.1	0.3	December 2016
Master Asset Vehicle 3 Tracking Note	0.9	0.7	September 2015
Ineligible Asset Tracking Note	0.3	0.1	October 2016
	$ 11.2	$ 6.2	

The principal assumptions underlying the fair values are as follows:

A1 and A2 Notes

- Interest at a rate 0.5% less than the Banker’s Acceptance (“BA”) rate
- Premium yields of 6.5% over the BA rate required by prospective buyers of these notes
- Probability weighting of 98%
- Term of 8 years

For the Class A1, A2 notes, the Company previously referred to the CDX-7 year index (cited by the JP Morgan Report) as a key input into its internal valuation model. The CDX-7 year index ordinarily reflects spreads in a functioning market for products with similar maturities and risk profiles to the restructured A1 and A2 Notes. However, the markets for structured investments with risk profiles similar to the restructured third party sponsored ABCP and for products similar to the restructured assets within the ABCP trusts have continued to be characterized by an extremely low level of activity. Indices related to these markets have been subject to significant movements based on only a few small value trades. With few transactions taking place, the indices are often rendered out of date almost immediately after publication. As a result, certain financial institutions have ceased the publication of relevant structured CDX indices that the Company referred to when constructing discount factors used when valuing its investments in third party sponsored ABCP in its interim financial statements published during 2008. For the foregoing reasons the Company has used its own subjective estimates of credit spreads and the required premium over BA rate with broad reference to previously published CDX data.

The B, C and Ineligible Tracking Notes

The B, C and ineligible tracking notes are unrated, have a low payment priority in the restructuring plan and represent a relatively immaterial portion of the Company’s total investment in ABCP. The Company has written down the carrying values of these investments from $1.4 million to $0.4 million based on management’s subjective estimates in the range of 8% to 25% of premium yields required by buyers of these notes and expected cash flows with probability weighting of 50%.

Master Asset Vehicle 3 Tracking Note

- Interest at a rate 0.5% above the Banker's Acceptance ("BA") rate
- Premium yields of 5% over the BA rate required by prospective buyers of these notes
- Probability weighting of 98%
- Term of 8 years

Unlike the A1 and A2 notes the traditional assets underlying Master Asset Vehicle 3 Tracking Note do not include pools of CDSs. The market discount factors selected by the Company for calculating the fair value of the investment in Master Asset Vehicle 3 Tracking Note reflect spreads observable with respect to bank offerings of medium term notes adjusted for the Company's best estimate of prospective buyers' required yield.

No estimate of the restructuring costs, which have been stated as being immaterial by the restructuring committee, have been included in the fair value assessment.

The Company's fair value methodology has resulted in an additional impairment charge of $2.2 million in 2008, bringing the total impairment charge to $5.0 million. The range of fair values estimated by the Company varied between $5.6 and $6.4 million. In the event significantly different information regarding risk profiles similar to the restructured third party sponsored ABCP and for products similar to the restructured assets becomes available, the actual values could be materially different from the estimated value presented here. While the Company believes that it has utilized an appropriate methodology to estimate fair value, given the number of uncertainties there can be no assurance that management's estimate of potential recovery as at December 31, 2008 is accurate.

4. EQUIPMENT

	As at December 31, 2008			As at December 31, 2007		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Office furniture and equipment	$ 20,618	$ 10,062	$ 10,556	$ 20,618	$ 7,423	$ 13,195
Computer equipment	41,080	32,386	8,694	41,080	28,661	12,419
Vehicles	103,149	72,461	30,688	103,149	59,309	43,840
Field equipment	701,632	320,856	380,776	701,632	225,662	475,970
	$ 866,479	$ 435,765	$ 430,714	$ 866,479	$ 321,055	$ 545,424

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Mineral properties and deferred exploration costs consist of the following:

	Balance, December 31, 2006	Additions	Balance, December 31, 2007	Additions	Balance, December 31, 2008
Mineral properties					
Neita	$ 283,747	$ –	$ 283,747	$ –	$ 283,747
Los Guandules	83,427	257,400	340,827	–	340,827
	$ 367,174	$ 257,400	$ 624,574	$ –	$ 624,574
Deferred exploration costs					
Neita	$ 3,846,208	$ 3,566,070	$ 7,412,278	$ 3,263,033	$ 10,675,311
Los Guandules	–	–	–	–	–
	$ 3,846,208	$ 3,566,070	$ 7,412,278	$ 3,263,033	$ 10,675,311
Total	$ 4,213,382	$ 3,823,470	$ 8,036,852	$ 3,263,033	$ 11,299,885

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 license which is issued for 75 years. Subsequent to December 31, 2008, the Company applied for a one-year extension of the exploration concession. The extension is currently pending.

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 and valued at $257,400), 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.

6. BANK LOAN

The Company has obtained from a senior Canadian bank (the "Bank") a revolving credit facility up to an amount not exceeding $6,000,000, 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, 2008, the Company has drawn down $4,880,000 (2007 - $510,000) of this credit facility and has paid $92,506 (2007 - $1,067) in interest.

Subsequent to December 31, 2008, the Bank increased the credit facility from $6,000,000 to $8,000,000.

7. SHARE CAPITAL

(a) *Common Shares*

Authorized - unlimited number of common shares without par value
Issued - 85,839,938 common shares

Transactions during the years ended December 31, 2008 and 2007 are as follows:

	Number of Shares	Amount
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
Shares Issued:		
Stock options exercised	25,000	8,250
Stock options exercised - valuation	–	2,750
Balance, December 31, 2008	85,839,938	$ 27,331,166

(b) *Share Purchase Warrants*

As at December 31, 2008, there are no share purchase warrants outstanding. A summary of share purchase warrants outstanding and changes during the periods indicated is presented below:

	December 31, 2008			December 31, 2007		
	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
Issued	–	–	–	–	–	–
Exercised	–	–	–	(9,455,760)	0.74	(1,627,300)
Balance, end of year	–	–	$ –	–	–	$ –

(c) *Stock Option Plan*

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

During the year ended December 31, 2008, the Company granted 3,122,000 stock options (2007 - Nil) at an exercise price of $0.25 to officers, directors and consultants. The fair value of the options granted in 2008 was estimated at the grant date to be $530,740 and was based on the Black-Scholes option pricing model, using the following assumptions: i) risk-free interest rate of 2.95%; ii) expected life of 5 years; iii) expected volatility of 108% and iv) dividend yield of 0%.

A summary of the Stock Option Plan as at December 31, 2008 and 2007 and changes during the years then ended is presented below:

	December 31, 2008		December 31, 2007	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding, beginning of year	3,080,000	$ 0.69	3,835,000	$ 0.66
Granted	3,122,000	0.25	–	–
Exercised	(25,000)	0.33	(300,000)	$ 0.28
Expired	(1,115,000)	0.66	(455,000)	$ 0.72
Outstanding, end of year	5,062,000	$ 0.42	3,080,000	$ 0.69

As at December 31, 2008, 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
340,000	340,000	$ 0.25	November 10, 2009
1,600,000	1,600,000	$ 0.80	October 2, 2011
3,122,000	3,122,000	$ 0.25	September 4, 2013
5,062,000	5,062,000		

(d) Contributed Surplus

A summary of contributed surplus activity during the years ended December 31, 2008 and 2007 is presented below:

	December 31, 2008	December 31, 2007
Balance, beginning of year	$ 1,972,557	$ 1,997,964
Stock-based compensation - employees	445,400	30,393
Stock-based compensation - non-employees	85,340	
Stock options exercised	(2,750)	(55,800)
Balance, end of year	$ 2,500,547	$ 1,972,557

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 33.5% (2007 - 36%) were as follows:

	December 31, 2008	December 31, 2007
Loss before income taxes:	$ (3,268,479)	$ (3,936,685)
Expected income tax (recovery)	(1,095,000)	(1,417,000)
Increase (decrease) resulting from:		
Stock-based compensation	178,000	11,000
Impairment of long-term investment	368,000	504,000
Losses expiring	209,000	102,000
Change in tax rates	73,000	676,000
Other	10,000	(37,000)
Change in valuation allowance	257,000	161,000
	$ –	$ –

(b) Future Income Tax Balances

The tax effects of temporary differences that give rise to future income tax assets at December 31, 2008 and 2007 are as follows:

	December 31, 2008	December 31, 2007
Future income tax assets - long-term portion:		
Equipment	$ 131,000	$ 101,000
Non-capital losses	1,974,000	1,995,000
Resource properties	776,000	776,000
Share issue costs	50,000	86,000
Other investments	690,000	406,000
Valuation allowance	(3,621,000)	(3,364,000)
	$ –	$ –

The Company has approximately $888,000 (2007 - $888,000) and $1,795,000 (2007 - $1,795,000) of Canadian development expenses and Canadian exploration expenditures, respectively, and $1,429,000 (2007-$1,429,000) of foreign exploration expenditures as at December 31, 2008 which, under certain circumstances, may be utilized to reduce taxable income of future years. As at December 31, 2008, the Company had available for deduction against future taxable income, non-capital losses in Canada of approximately $6,527,000 (2007 - $6,501,000) which expire as follows:

Year of Expiry	Amount
2009	$ 690,000
2010	1,284,000
2014	1,002,000
2015	618,000
2026	959,000
2027	1,309,000
2028	665,000
	$ 6,527,000

9. RELATED PARTY CONTRACTUAL OBLIGATIONS AND TRANSACTIONS

Included in the accounts for the years ended December 31, 2008 and 2007 are payments made to corporations under the control or significant influence of officers and directors of the Company as follows:

	2008	2007
Management Services fees paid to corporations controlled by or have significant influence by officers and directors of the Company	$ 201,305	$ 141,851
Travel and business development expenditures paid to a corporation controlled by a director of the Company	$ 40,000	$ –
General and administrative expenses paid to a corporation controlled by an officer and director of the Company	$ –	41,327
Professional fees paid to an officer and director of the Company	$ 65,000	$ 43,200
Investor relations expenditures paid to a corporation controlled by a director of the Company	$ 10,000	$ –
Deferred exploration costs paid to a corporation controlled by an officer and a director of the Company	$ 105,000	$ 194,310
Legal fees paid to a law firm where a director of the Company is also a partner	$ 8,268	$ –

Included in prepaid expenses as at December 31, 2008 is an advance in the net amount of $9,632 (December 31, 2007 - $69,717) to a corporation controlled by a 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 (December 31, 2007 - $20,000) to an officer and director of the Company. Included in accounts payable and accrued liabilities is $12,598 (December 31, 2007 - $12,178) payable to a corporation controlled by a director of the Company. These balances are non-interest bearing and unsecured with no fixed terms of repayment.

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:

	2008	2007
Sundry receivables	$ (395,919)	$ 88,665
Prepaid expenses	65,013	52,162
Accounts payable and accrued liabilities	24,973	(49,055)
Cheques issued in excess of cash	(32,064)	106,243
	$ (337,997)	$ 198,015

11. FINANCIAL RISK FACTORS

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, 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.

Liquidity Risk

As at December 31, 2008, the Company has a working capital deficiency of $4,460,694. The Company's ability to meet its financial obligations is dependent upon securing financing and the eventual recovery of the ABCP investments, as the Company has approximately $6.2 million (net of an impairment charge of $5.0 million) invested in the ABCP's. In the interim, the Company has obtained a credit facility with a senior Canadian bank to finance the current working capital needs. See Notes 3, 6 and 15.

Market Risk

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

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. As at December 31, 2008, the Company had cash balances of $133,994 in US currency and $Nil in Canadian currency.

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.

Sensitivity analysis
The majority of the Company's cash and cash equivalents are at fixed interest rates. Sensitivity to a plus or minus 1% change in rates would not have a significant effect on the Company's net loss.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

(i) The Company's other investments are subject to fair value fluctuations. As at December 31, 2008, if the fair value of the other investments had decreased/increased by 10% with all other variables held constant, net loss for the year ended December 31, 2008 would have been approximately $620,000 higher/lower. Similarly, as at December 31, 2008, reported shareholders' equity would have been approximately $620,000 lower/higher as a result of a 10% decrease/increase in the fair value of other investments.

The Company is exposed to foreign exchange fluctuations as a result of transactions with its subsidiary, Unigold Dominicana S.A. The Company does not use derivatives to mitigate its foreign currency risk.

12. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The Company is a party to certain management contracts. These contracts contain clauses requiring that $216,000 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. Minimum commitments remaining under these contracts are approximately $522,000 over the following years:

Year	Amount ($)
2009	216,000
2010	216,000
2011	90,000
	522,000

The Company is committed to minimum rental payments under a lease for premises, which expire February 28, 2009. Minimum rental commitments under the lease are $5,800 due within one year.

13. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of common shares and contributed surplus. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support its exploration and corporate activities.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the year ended December 31, 2008. The Company is not subject to externally imposed capital requirements.

The Company's objectives in managing capital are to safeguard its ability to operate as a going concern. See Note 3.

14. 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.

	2008			2007		
	Canada	Dominican Republic	Total	Canada	Dominican Republic	Total
Assets	$ 6,794,744	$ 11,885,075	$ 18,679,819	$ 10,446,982	$ 6,656,946	$ 17,103,928
Liabilities	5,006,328	105,917	5,112,245	643,419	163,446	806,865
Interest income	402,840	1,472	404,312	192,799	295	193,094
Administrative expenses	3,679,078	(6,287)	3,672,791	4,105,961	23,818	4,129,779

All of the Company's equipment is physically located in the Dominican Republic.

15. SUBSEQUENT EVENTS

(a) Subsequent to December 31, 2008, the Company has drawn down an additional $250,000 from its credit facility with the Bank. See Note 6.

(b) On January 21, 2009, the Pan-Canadian Investors Committee (the "Committee") announced that the restructuring plan (the "Plan") affecting $32 billion of the third-party ABCP has been fully implemented. Pursuant to the terms of the Plan, the Company exchanged its short-term ABCP for longer-term notes whose maturities match those of the assets previously contained in the underlying conduits. The Company received new notes of various classes issued by a trust referred to as Master Asset Vehicle 2, including senior notes (Class A1 and A2 notes) in the amount of $8.9 million, which have been assigned an investment grade rating of A by DBRS Limited ("DBRS") and subordinated Class B and C notes in the amount of $1.1 million, which have not been rated by DBRS. The Class A1 and A2 notes will pay interest and Class B and C notes will accrue interest with payments to be made only after the Class A1 and A2 notes have been fully repaid. The Company also received US$1.0 million of notes referred to as Ineligible Asset Tracking Notes, which intent is to track the performance and repayment of the related underlying assets in certain conduits that have significant exposure to US residential mortgage market.

In addition, the Company also received a net of $403,000 of interest earned on the ABCP since August 17, 2007. This amount was included in sundry receivables at December 31, 2008 and upon receipt was used to reduce the bank loan.

CORPORATE INFORMATION

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Jose Acero*

René Branchaud*

Daniel Danis, M.SC.

Joseph Del Campo*

Dr. Ibrahim M. Eitani, Ph.D

Edmond Saadah

* Member of the Audit Committee

Officers

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President and
Chief Executive Officer

Joseph Del Campo, CMA
Chief Financial Officer

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Trading Symbol "UGD"

NASDAQ Dubai "UGD"

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Annual Meeting

The Annual Meeting of Shareholders will be held at 10:00 am, on Monday, June 29, 2009 at the Toronto Board of Trade, 1 First Canadian Place, 3rd Floor, Toronto, Ontario, Canada

Investor Relations

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