UNIGOLD INC.

SECOND QUARTER INTERIM REPORT

SIX MONTHS ENDED
JUNE 30, 2003

CONTENTS

EXPLORATION UPDATE

The Company is presently undertaking a field program of geological mapping, prospecting and stream sediment geochemistry on the Neita property (252 km^2) to prioritize known hydrothermal alteration and soil geochemical targets for a diamond drill program planned for September. Six large silicification zones up to 1 km in strike length with associated gold and/or copper soil geochemistry and over 20 alteration zones up to 3 km in length associated with structural traps as interpreted from the airborne magnetics and radiometric survey have been outlined. Some of these large interpreted alteration zones are often associated with major northeast or northwest trending faults and/or major areas of silicification and anomalous gold geochemistry.

The Pueblo Viejo Gold Mine, now operated by Placer Dome, has produced over 5 million ounces of gold since start-up in 1975 and has a remaining published geological resource of about 30 million ounces of gold at a cut-off of 1.0 g/t gold. The gold + zinc + copper mineralization in the deposit occurs within Lower Cretaceous age epiclastic volcanic sediments surrounding felsic intrusive domes and is associated with northerly striking tension fractures which are controlled by high angle faults (C.E. Nelsen 2000). The felsic dome feeder rocks, which are topographic high features, are generally lower in gold content than the surrounding sediments, which due to the massive alteration and weathering generally occur as topographic lows. The deposit also exhibits a very strong magnetic low signature.

The Neita property is underlain by Upper Cretaceous age rocks very similar in nature to the rocks of the Pueblo Viejo Deposit. The Neita property also exhibits many of the same silicification, hydrothermal alteration and mineralizing characteristics. Initial exploration on Neita has focused on the silicification and coincident gold and copper geochemical anomalies which form topographical high areas seeking higher grade but lower tonnage structurally controlled mineralization. Increased emphasis is being placed on targeting the alteration zones on the flanks of the silicification as outlined by the magnetic low signature and combined high potassium and low Th/K ratio as defined in the airborne radiometric survey. This is targeting the low grade bulk tonnage deposit similar to Pueblo Viejo.

A total of 107 stream sediment samples, analyzed for 36 elements by neutron activation have been received from the laboratory. All samples are shipped in their entirety by airfreight to a Canadian laboratory. The stream sediment sampling is reconnaissance in nature and samples are collected in stream beds both above and below major alteration zones. Thirteen samples or 12% of the analyses returned better than 25 ppb with 4 samples grade better than 100 ppb with the highest sample at 2,380 ppb (2.38 g/t Au). The sampling results received to date suggest that at least 5 of the alteration zones sampled to date contain gold mineralization worth major follow-up exploration. Only about half of the alteration zones have been sampled in the reconnaissance field program.

A total of 131 rock samples from the reconnaissance prospecting work have also been analyzed for 36 elements by neutron activation in a Canadian laboratory and 24 samples or 18% graded better than 100 ppb gold. The highly anomalous 24 samples averaged 658 ppb with the highest value at 6.0 g/t gold. These rock samples were also anomalous in arsenic, zinc, mercury and had barium content up to 390,000 ppm (39%). The reconnaissance prospecting targeted the known gold in soil geochemistry and coincident large silicification zones and /or the mineralized regional northwest fault structures.

In the El Corozo area, geological mapping and prospecting has outlined a 750 meter long by 75 meter wide, north-south trending topographic ridge formed by silicification and brecciation of the host mafic volcanic rocks situated adjacent to a tonalite intrusive. 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. Immediately to the west, a silicified float rock sample assayed 6 g/t gold. Other reconnaissance rock samples in the area returned results of 1.5 and 0.7 g/t gold. Immediately to the north in Haiti and immediately down slope of the El Corozo hill, stream sediment concentrate samples have assayed up to 840 g/t gold. Immediately adjacent to the silicification, in the valley to the east, a 2 km oblong target is interpreted by airborne geophysics to be a large hydrothermal alteration zone. A similar 2.5 km long hydrothermal alteration zone is located immediately to the south of the silicification zone and is centered on the northwest regional structure. A quartz keratophyre intrusive occurs adjacent to the fault and a 0.9 g/t gold grab sample was obtained from the base of the hill.

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

In the Candelones gold deposit area, located an additional 2 km southeast along the regional structure trending from El Corozo, diamond drilling (25 holes) has previously outlined 5 million tonnes of inferred resource grading 1.1 g/t gold (BRGM 1998 resource calculation is not to CIMM standards). Diamond drilling returned grades of 1.1 g/t gold over 106 meters, 1.8 g/t over 54 meters, 1.3 g/t over 56 meters and 1.0 g/t over 46 meters in a low sulphidation adularia + sericite alteration of a volcanic-sedimentary sequence. Mineralization occurs on a hill, is structurally controlled and occurs within north-northwest trending quartz veins hosted in felsic dacite and dacite porphyry. A significant alteration zone, as defined by the airborne geophysics, occurs to the north. On strike with the main mineralization, about 750 meters to the southeast, a rock sample from a highly silicified and hydrothermally altered outcrop ran 1.2 g/t gold. Outcrop is scarce between the two areas. This 750 meter extension is a highly prospective gold target and will be evaluated in the near future. The mineralization at the Candelones Deposit is open along strike in both directions.

The largest silicification and hydrothermal alteration zone occurs in the Montazo-Guano area. This target trends east-west and has a length of about 3 km and a width of about 1 km. Two separate northwest trending regional structures cut the target. 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 is widespread. Previous trenching on the eastern margin of the alteration zone returned values up to 0.44 g/t gold over 90 meters while trenching on the western margin of the zone, located 2.5 km away, returned values up to 0.54 g/t gold over 100 meters. The main target has never been 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.

The Neita area located just to the south of the town of Restauracion was drilled in the 1960's for copper by Mitsubishi Mining. They drilled 27 holes and intersected discontinuous copper values up to 5% in veins within andesites and fragmented andesitic tuff. About 3 km to the northeast and within the same host rocks, a 10 cm vein of mineralization was recently uncovered which ran 53.5% copper.

The Company intends to finalize its acquisition of the Los Guandules Concession, which is contiguous to the south of the Neita property. The Los Guandules Concession area is host to the southeastward extension of the favorable structures within the Tireo and Duarte formation. Five trenches and 3 drill holes were completed in the Rosso showing area in 1988. The results of the drilling are unknown but the trenching returned values of up to 1.2 g/t over 30 meters with anomalous silver and copper values. Float of altered volcanics in the area is reported to run up to 7.9% copper. A large hydrothermal alteration zone is located close to the Rosso occurrence and is centered on the northwest trending regional structure.

The Company also has a 100% interest in the 557 km^2 Sabaneta property located about 7 km to the east of the Neita property. This property has seen much less work but remains highly prospective for gold. The property has seen alluvial gold workings in the past and there is one known gold in soil anomaly and one copper in soil anomaly. Previous stream sediment sampling has outlined one extensive area anomalous in gold. The Company is seeking a joint venture partner to advance this project.

The Company, after recently closing its $821,000 financing, is in the process of significantly expanding its exploration program to evaluate the numerous high priority exploration targets located on the Neita property. The Company will continue to conduct geological mapping, prospecting and stream sediment geochemistry to find new zones and to prioritize the numerous hydrothermal alteration zones known to be present. We are also in negotiation with a geophysical contracting company to conduct an IP survey on the Candelones, El Corozo and Montazo-Guano areas. We have finalized the acquisition of a small backhoe and diamond drill to be sent to the property by the end of August. The initial focus of the trenching and diamond drilling to commence in September will be in the Candelones, El Corozo and Montazo-Guano areas.

LIQUIDITY & FINANCIAL RESOURCES

The Company is a mining exploration and development company with no producing properties and, consequently, has no current operating income or cash flow. The development of the Company's properties therefore depends on the Company's ability to obtain additional required financing. Financing of the Company's activities to date has been primarily obtained from equity issues. It is expected that the Company's activities will continue to be funded through external financing.

In March, the Company closed a $500,000 private placement by issuing 833,333 units to three arm's length purchasers at a price of $0.60 per unit, with each unit consisting of one common share and one-half of one warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.75 for one year. In July, the Company closed a brokered private placement to issue 2,736,666 common shares at $0.30 per share for gross proceeds of $821,000. See accompanying notes 3 and 5 to the financial statements for more details.

Cash and cash equivalents were $165,111 as of June 30, 2003, down $462,862 from the year ended December 31, 2002. Working capital has been reduced by $484,652 during the first six months of this year to $125,302 from $609,954.

JOHN P. THOMPSON
President and Chief Executive Officer
August 21, 2003

CONSOLIDATED BALANCE SHEETS

(unaudited – Canadian $)	as at June 30 **2003**	as at December 31 2002
CURRENT ASSETS		
Cash and cash equivalents	$ 165,111	$ 627,973
Marketable securities	156,550	156,550
Other receivables	35,342	42,676
Prepaid expenses	141,868	46,917
	498,871	874,116
MINERAL PROPERTIES (Note 2)	302,202	258,275
DEFERRED EXPLORATION COSTS (Note 2)	427,244	144,151
FIXED ASSETS, NET	24,845	—
PUBLIC LISTING STATUS	100,000	100,000
TOTAL ASSETS	$ 1,353,162	$ 1,376,542
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 373,569	$ 264,162
NON-CONTROLLING INTEREST	2,831	2,831
SHAREHOLDERS' EQUITY		
Share capital (Note 3)	5,448,966	5,037,158
Warrants (Note 3)	65,833	—
Contributed surplus (Note 4)	42,000	—
Deficit	(4,580,037)	(3,927,609)
	976,762	1,109,549
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,353,162	$ 1,376,542

See accompanying notes to the financial statements

APPROVED ON BEHALF OF THE BOARD:

JOHN P. THOMPSON
Director

JOSEPH DEL CAMPO
Director

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(unaudited – Canadian $)	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
REVENUE				
Interest income	$ 1,592	$ —	$ 2,280	$ —
	1,592	—	2,280	—
ADMINISTRATIVE EXPENSES				
Professional fees	14,720	15,250	114,323	23,367
Consulting fees	3,000	—	46,804	—
Salaries and wages	51,161	—	68,215	—
Interest on long-term debt	—	47,518	—	94,514
Travel, promotion and business development	22,224	9,309	103,910	9,314
Listing and shareholder information	25,027	6,927	189,152	11,435
General and administrative expenses	26,777	1,289	80,747	2,516
Write-off of mining properties	—	28,000	—	28,000
Stock-based compensation	—	—	42,000	—
Foreign exchange (gain) loss	7,012	—	5,957	—
Depreciation expense	1,800	—	3,600	—
	151,721	108,293	654,708	169,146
NET LOSS	(150,129)	(108,293)	(652,428)	(169,146)
Deficit, beginning of period	(4,429,908)	(5,109,658)	(3,927,609)	(5,048,805)
DEFICIT, END OF PERIOD	$ (4,580,037)	$ (5,217,951)	$ (4,580,037)	$ (5,217,951)
BASIC NET LOSS PER SHARE	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.01)
Weighted average number of shares outstanding			16,676,084	5,772,286

See accompanying notes to the financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited – Canadian $)	Three months ended June 30		Six months ended June 30	
	2003	2002	**2003**	2002
OPERATING ACTIVITIES				
Net loss	$ (150,129)	$ (108,293)	$ (652,428)	$ (169,146)
Items not affecting cash				
Write-off of mining properties	—	28,000	—	28,000
Depreciation expense	1,800	—	3,600	—
Stock-based compensation (Note 4)	—	—	42,000	—
	(148,329)	(80,293)	(606,828)	(141,146)
Change in non-cash working capital Items	(65,511)	59,664	21,790	118,945
	(213,840)	(20,629)	(585,038)	(22,201)
FINANCING ACTIVITIES				
Issuance of common shares, net of costs	(45,500)	—	411,808	—
Issuance of share purchase warrants	45,000	—	65,833	—
Advances from directors	—	30,889	-	30,889
	(500)	30,889	477,641	30,889
INVESTING ACTIVITIES				
Deferred exploration costs	(144,520)	(9,755)	(283,093)	(20,855)
Acquisition of fixed assets	—	—	(28,445)	—
Mineral properties	—	—	(43,927)	—
	(144,520)	(9,755)	(355,465)	(20,855)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(358,860)	505	(462,862)	(12,167)
Cash and cash equivalents, beginning of period	523,971	380	627,973	13,052
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 165,111	$ 885	$ 165,111	$ 885

See accompanying notes to the financial statements

(unaudited)

1. BASIS OF ACCOUNTING

The accompanying unaudited financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended June 30, 2003 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2003. For further information see the Company's consolidated financial statements including the notes thereto included in the Annual Report for the year ended December 31, 2002.

2. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

Mineral properties and deferred exploration costs consist of the following:

	June 30, 2003		December 31, 2002	
	Mineral properties	Deferred exploration costs	Mineral properties	Deferred exploration costs
Neita and Sabaneta	$ 258,275	$ 427,244	$ 258,275	$ 144,151
Los Guandules	43,927	–	–	–
	$ 302,202	$ 427,244	$ 258,275	$ 144,151

NEITA PROPERTY

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

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

In the event that mining commences on the Neita property, the Company will be obligated to pay tax equal to 25% of its net taxable income, plus a further 5% of net taxable income to municipalities, as well as payment of the aforementioned surface tax. The consideration was determined following arm's length negotiations between the Dominican Republic and the Company following a process of public invitation to tender.

SABANETA PROPERTY

The Sabaneta Property is located on the northwestern part of the Dominican Republic. The property covers an area of 55,720 hectares. Pursuant to the Sabaneta Exploration Contract, the Dominican Republic granted the Company the exploration rights for gold, silver, zinc, copper and all associated minerals in the property, as well as the sole and exclusive option for the commercial mining of the mineral deposits. The Company is required to pay to the Dominican Republic surface tax in a nominal amount, as well as pay the following amounts:

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

In the event that mining commences on the Sabaneta Property, the Company will be obligated to pay tax equal to 25% of its net taxable income, plus a further 5% of net taxable income to municipalities, as well as payment of the aforementioned surface tax. The consideration was determined following arm's length negotiations between the Dominican Republic and the Company following a process of public invitation to tender.

LOS GUANDULES

On February 21, 2003, the Company signed a letter of intent with a private Dominican company to acquire a 100% interest in the Los Guandules concession. This approximately 25,000 hectare concession joins the southern boundary of the Neita property and the western boundary of the Sabaneta property.

3. SHARE CAPITAL

AUTHORIZED

Unlimited number of common shares without par value

ISSUED

17,179,735 common shares

Transactions during the period are as follows:

	Number of Shares	Amount
Balance, December 31, 2002	16,201,402	$ 5,037,158
Shares Issued:		
Sponsorship (i)	100,000	20,000
Private Placement (ii)	833,333	479,167
Agency Agreement (iii)	45,000	9,000
Share issue fees and expenses	–	(96,359)
Balance, June 30, 2003	17,179,735	$ 5,448,966

(i) Shares issued to Maison Placements Canada Inc. regarding sponsorship for TSX Venture Exchange listing.

(ii) On March 3, 2003, the Company closed a $500,000 private placement by issuing 833,333 units to three arm's length purchasers at a price of $0.60 per unit, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of $0.75 for one year. The share purchase warrants have been valued at $20,833. A finder's fee of 5% of the total was paid on this private placement. The shares are subject to a 12-month hold period from the date of issue.

(iii) On May 15, 2003, the Company issued 45,000 common shares and share purchase warrants to purchase up to 450,000 common shares of the Company at a price of $0.20 per share to Maison Placements Canada Inc. with respect to the Fiscal Agency Agreement dated October 23, 2002 between the Company and Maison. The share purchase warrants have been valued at $45,000 and expire on November 4, 2004.

4. STOCK OPTIONS

Effective January 1, 2002, the Company adopted the new recommendations of CICA Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. This Section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These new recommendations require that compensation of or all awards made to non-employees and certain awards made to employees be measured and recorded in the financial statements at fair value. This section also sets out a fair value based method of accounting for stock options issued to employees and applies to awards granted on or after January 1, 2002.

The Company, as permitted by Section 3870, has chosen to continue its existing policy of recording no compensation cost on the grant of stock options to employees. Any consideration paid by employees on exercise of stock options is credited to capital stock.

As at June 30, 2003, the Company had stock options issued to directors, officers, employees and consultants of the Company, outstanding as follows:

Date of Grant	Number of Options	Exercise Price	Expiry Date
February 13, 2003	1,500,000	$ 0.75	February 13, 2008
May 7, 2003	160,000	$ 0.33	May 7, 2008

As stated above, the Company does not record compensation cost on the grant of stock options to employees. Had compensation cost for the Company's stock-based compensation plan been determined based on the fair value at the grant dates, the Company's net loss and loss per share would have been increased to the pro forma amounts indicated below:

		Three months ended June 30, 2003	Six months ended June 30, 2003
Net loss	As reported	$ (150,129)	$ (652,428)
	Pro forma	$ (167,729)	$ (1,153,028)
Basic loss per share	As reported	$ (0.01)	$ (0.04)
	Pro forma	$ (0.01)	$ (0.07)

On February 13, 2003, 200,000 options were granted to two non-employees of the Company. The fair value of these options at the date of grant was estimated to be $42,000 using the Black-Scholes pricing model based on the following assumptions: risk-free interest rate of 3.6%; expected life of five years; and volatility of 49%.

5. SUBSEQUENT EVENTS

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

(ii) On July 10, 2003, the Company made a US$40,000 payment to the Dominican Republic Government regarding the Neita and Sabaneta properties (see note 2).

(iii) On August 21, 2003, 350,000 stock options at an exercise price of $0.40 were granted to certain of the directors and employees of the Company. The options expire August 21, 2008.

CORPORATE INFORMATION

DIRECTORS

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JOSEPH DEL CAMPO

DAVID R. BELL

PAUL DE POURTALES

ALFRED LENARCIAK

J. CHRISTOPHER COWAN

JOSE ACERO

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President & CEO

JOSEPH DEL CAMPO, CMA,
Vice President Finance & CFO

DANIEL DANIS, MSC,
Vice President Exploration

STOCK LISTING

TSX – Venture Exchange
Trading Symbol: UGD

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